

# EXHIBIT 17

**FILED**Superior Court of California  
County of Los Angeles

03/25/2022

Sherri R. Carter, Executive Officer / Clerk of Court

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 VILLAGE ROADSHOW FILMS (BVI)  
 LIMITED; VILLAGE ROADSHOW  
 FILMS NORTH AMERICA INC.;  
 VILLAGE ROADSHOW PICTURES  
 NORTH AMERICA INC.; VILLAGE  
 ROADSHOW DISTRIBUTION (BVI)  
 LIMITED; and VILLAGE ROADSHOW  
 DISTRIBUTION USA INC.*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA****COUNTY OF LOS ANGELES**

VILLAGE ROADSHOW FILMS  
 (BVI) LIMITED; VILLAGE  
 ROADSHOW FILMS NORTH  
 AMERICA INC.; VILLAGE  
 ROADSHOW PICTURES NORTH  
 AMERICA INC.; VILLAGE  
 ROADSHOW DISTRIBUTION  
 (BVI) LIMITED; and VILLAGE  
 ROADSHOW DISTRIBUTION USA  
 INC.,

Plaintiffs,

v.

WARNER BROS.  
 ENTERTAINMENT INC.;  
 WARNER BROS. PRODUCTION  
 LIMITED; WAV DISTRIBUTION  
 LLC; WARNER MEDIA, LLC, and  
 Does 1-20,

Defendants.

Case No. 22STCV04606

Honorable David S. Cunningham III  
Department 11**VERIFIED FIRST AMENDED  
 COMPLAINT FOR  
 DECLARATORY AND  
 PRELIMINARY AND  
 PERMANENT INJUNCTIVE  
 RELIEF**

Complaint Filed: 02/07/2022



1 property rights to these films and is listed as a co-owner on each film’s copyright  
2 registration.

3 5. Village Roadshow established a close relationship with WB beginning in  
4 1997 that would ultimately result in Village Roadshow investing toward the successful  
5 co-financing of 91 titles. That depth and length of relationship—with not a single  
6 litigation between them (until now)—was unique in the entertainment industry.

7 6. Many of the films Village Roadshow co-owns with WB are now household  
8 names and tent-pole franchises—the type of films that have become the hallmark of  
9 financial success in Hollywood. *The Matrix* trilogy, *Joker*, the *Ocean’s* series, *Charlie*  
10 *and the Chocolate Factory*, and *Edge of Tomorrow*, all co-owned by Village Roadshow  
11 and WB, are among them. Aside from financial profitability, the success of these initial  
12 properties, which Village Roadshow both co-created and co-financed, elevated brand  
13 awareness for the copyright holders as well as provided a launchpad for the development  
14 of not only typical derivative products (e.g. reboots, sequels, spin-offs, television series,  
15 etc.) but highly sought after and lucrative shared cinematic universes (e.g., Marvel  
16 Cinematic Universe, DC Extended Universe) as well as meta-verses.

17 7. Indeed, *The Matrix* trilogy is one of the most successful and iconic film  
18 franchises of all time, with the original three films earning over \$2 billion roughly two  
19 decades ago. *Joker* was a critically acclaimed hit and also tremendously successful,  
20 earning more than \$1 billion at the box office in its 2019 release worldwide.

21 8. Village Roadshow’s copyright ownership gives it the most sought-after  
22 rights in Hollywood: the perpetual right to co-create, co-invest and co-own the derivative  
23 rights to extremely successful tent pole films and franchises as well as the right to honest  
24 accounting from its copyright co-owner. As the distributor and co-copyright owner, WB  
25 has a fiduciary duty to account to Village Roadshow for *all* earnings from the  
26 exploitation of the films’ copyrights, not just those it cannot hide. Under the parties’  
27 contracts, WB is also required to provide a Marketing Plan for each film and to distribute  
28 each film in a manner “*consistent with industry standards*” and “*consistent with*

1 *customary commercial practices in the motion picture industry.”* And, WB expressly  
 2 agreed not to make sweetheart deals with its affiliates: it could not enter agreements with  
 3 related entities unless it could show that the economic terms of those agreements “are not  
 4 less favorable” than a “*comparable, arm’s length agreement*” involving unaffiliated  
 5 entities.

6 **B. WB Is Giving Away Village Roadshow’s Tent Pole Films To Boost Its**  
 7 **Sister Company’s Paid Subscriber Base, And Refusing To Account For**  
 8 **Any Of That Revenue**

9 9. But “customary commercial practices,” “industry standards,” and  
 10 “comparable arms-length agreement[s]” are a far cry from WB’s actions. Nor does WB’s  
 11 conduct remotely resemble an honest accounting. Instead, WB and its parent,  
 12 WarnerMedia, devised “Project Popcorn,” the internal code name for its clandestine plan  
 13 to materially reduce box office and correlated ancillary revenue generated from tent pole  
 14 films that Village Roadshow and others would be entitled to receive in exchange for  
 15 driving subscription revenue for the new HBO Max service, for which WarnerMedia  
 16 would be the sole beneficiary. WarnerMedia and WB effectively enticed movie-going  
 17 audiences away from the theaters by streaming these tent pole films day and date on  
 18 HBO Max for no additional charge, a practice that is completely inconsistent with  
 19 “industry standards” and “customary commercial practices in the motion picture  
 20 industry.” Additionally, WarnerMedia benefits by driving up the value of its subsidiary,  
 21 just as WarnerMedia prepares to spin off and merge with Discovery, all while providing  
 22 *zero* benefit to Village Roadshow, talent and other partners.

23 10. This surprise announcement shocked the entire motion picture community,  
 24 sparking outrage from talent and partners with long-standing histories with WB. As part  
 25 of WB’s scheme, *The Matrix Resurrections*—what should have been an incredibly  
 26 valuable sequel to *The Matrix* trilogy—WB rushed its release date from 2022 to 2021  
 27 precisely so that it could release the film on HBO Max on the same “day and date” as its  
 28 theatrical release as part of Project Popcorn. Andy Forssell, head of HBO Max,

acknowledged that new releases, such as *The Matrix Resurrections*, have helped the service “acquire subscribers, reduce churn and drive viewers to other content on HBO Max. ‘These films have been very helpful in acquisition and more helpful in retention than we ever could have seen or hoped,’ Forssell said.”<sup>1</sup>

11. WB’s sole purpose in moving the release date of *The Matrix Resurrections* forward was to create a desperately needed wave of year-end HBO Max premium subscriptions from what it knew would be a blockbuster film, despite knowing full well that it would decimate the film’s box office revenue and deprive Village Roadshow of any economic upside that WB and its affiliates would enjoy, especially as compared to a 2022 exclusive theatrical release. *Literally, WB agreed to allow its sister company to stream Village Roadshow’s tent pole film, on the same day of its theatrical release, for no additional revenue so that its sister company could increase its subscribers and*

REVIEWED

## HBO Max has a blockbuster deal for fans looking to stream 'The Matrix Resurrections'

Christine Persaud Reviewed

Published 12:22 p.m. ET Dec. 12, 2021 | Updated 12:22 p.m. ET Dec. 12, 2021



Stream The Matrix Resurrections on Wednesday, December 22 exclusively on HBO Max Warner Bros.

<sup>1</sup> Ryan Faughnder, *Theaters or HBO Max? Warner Bros. movie plans take shape as Discovery merger looms*, Los Angeles Times (June 8, 2021, 5:00 AM), <https://www.latimes.com/entertainment-arts/business/story/2021-06-08/can-warner-bros-keep-movie-dreams-alive>.



1 *subscription revenues with the additional benefit of boosting its parent company's stock.*  
 2 No other studio did anything of the sort.

3 12. What's more, WB and WarnerMedia are using Village Roadshow's films to  
 4 drive subscribers to the ad-free tier, i.e., the premium subscription level, of the HBO Max  
 5 streaming service, creating billions of dollars in enterprise value to WarnerMedia, but  
 6 refusing to account to Village Roadshow for any of that value, earned by exploiting  
 7 Village Roadshow films in a way that destroys the value of the films and their Derivative  
 8 Works. Not surprisingly, WB provided Village Roadshow with no notice and WB made  
 9 no mention of this strategy, as the parties' contracts require.



19 **C. WB and WarnerMedia Well Knew That Its Conduct Would Decimate**  
 20 ***The Matrix Resurrections*' Box Office**

21 13. The hit to *The Matrix Resurrections*' box office returns was not the result of  
 22 just the cannibalization from streaming but from the rampant piracy it knew would come  
 23 by distributing this marquee picture on a streaming platform on the same day as its  
 24 theatrical release. The cumulative result was devastating. To date, *The Matrix*  
 25 *Resurrections* has earned substantially less than any of the prior films and well below  
 26 budget, even though the last of them was released almost 20 years ago:

	<i>The Matrix</i>	<i>The Matrix Reloaded</i>	<i>The Matrix Revolutions</i>	<i>The Matrix Resurrections</i>
Box Office Revenue from Initial Release	\$783,209,536 (in 2021 dollars) <sup>2</sup>	\$1,127,112,652 (in 2021 dollars)	\$ 645,767,838 (in 2021 dollars)	\$148,681,748
Year Released	1999	2003	2003	2021

14. WB and WarnerMedia knew this would happen: the Hollywood trades had been full of headlines warning about this problem for months:

HOME / BOX OFFICE / BREAKING NEWS

## Piracy Is Biggest Problem For Day-And-Date Releases, Say International Film Distrib & Exhib Chiefs – CinemaCon



By Anthony D'Alessandro  
August 23, 2021 2:59pm

15. The warnings were clear even earlier. As Fortune magazine explained, streaming “big-budget films” “has made it easier for pirates to illegally copy and share new releases, with an estimated loss of millions of potential customers for the production companies.”<sup>3</sup>

16. WB’s and WarnerMedia’s strategy not only ensured that *The Matrix Resurrections* would be a bust at the box office, but it also inflicted serious harm to the entire *Matrix* franchise. There can be no doubt that the abysmal theatrical box office sales figures from *The Matrix Resurrections* dilute the value of this tent pole franchise as

<sup>2</sup> All figures listed as “in 2021 dollars” are inflation-adjusted numbers calculated using US Bureau of Labor Statistics CPI inflation calculator and month and year of films’ original release date compared to December, 2021.

<sup>3</sup> Richard Chess and Bloomberg, *Movie piracy is on the rise as studios bypass theatrical releases*, Fortune (October 6, 2020, 8:00 AM), <https://fortune.com/2020/10/06/movie-piracy-digital-streaming-releases-2020-coronavirus-pandemic/>.



1 a film's lack of profitability generally prevents studios from investing in additional  
2 sequels and derivative films in the near term.

3 17. Village Roadshow formally exercised its right to co-own and co-finance *The*  
4 *Matrix Resurrections* in 2019, long before any of WB's sharp deviation from customary  
5 release plans had come to light. But, with WB having gutted the value of the film for the  
6 benefit of its sister company, Village Roadshow has not—and cannot rationally—tender  
7 to WB the substantial payment to do so. Absent a declaration that WB is in breach of its  
8 contractual obligations and thus that Village Roadshow's payment is excused, Village  
9 Roadshow stands to lose the invaluable rights to what should have been a blockbuster hit  
10 and the continued deprivation of its rights going forward, including potentially the rights  
11 to characters first appearing in this film.

12 **D. WB's Sweetheart Deal with Its Affiliate Streaming Service Has**  
13 **Generated Billions in Enterprise Value for WarnerMedia**

14 18. For its own selfish purposes, however, WB's efforts to trade off Village  
15 Roadshow's copyrights to benefit WarnerMedia have been successful. As it recently  
16 reported, HBO Max closed 2021 with 46.8 million domestic subscribers, an increase of  
17 5.3 million over the prior year. Globally, subscriber levels increased even more, *i.e.*, by  
18 13.1 million, to 73.8 million, almost 18% year over year growth. "Aside from putting the  
19 company ahead of its internal forecasts, the growth was the biggest subscriber increase in  
20 a single year in HBO's 50-year history," according to a company press release.<sup>4</sup>

21 19. The increased subscription revenues WarnerMedia earned by making them  
22 available for free on HBO Max is just a fraction of the ultimate enterprise value  
23 WarnerMedia is earning from Village Roadshow intellectual property. By building the  
24 HBO Max streaming service, WarnerMedia is building a formidable competitor to  
25 standalone streaming services, whose value is driven by adding subscribers. Netflix, for

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26  
27 <sup>4</sup> Dade Hayes, *HBO And HBO Max Reach 46.8M Domestic Subscribers, With Average Revenue Of*  
28 *\$11.15 As Parent (For Now) AT&T Beats O4 Estimates*, DEADLINE (January 26, 2022, 4:11 AM),  
<https://deadline.com/2022/01/hbo-hbo-max-reach-46-8m-domestic-subscribers-average-revenue-1234920025/>.

1 example, has 222 million subscribers and a market capitalization of \$180 billion. Thus,  
2 by using Village Roadshow films to drive the HBO Max subscriber base to nearly 74  
3 million, WB has enabled its HBO Max service to have a valuation of \$60 billion on a  
4 standalone basis, just in time for WarnerMedia's spinoff. In doing so, on information and  
5 belief, WB executives were rewarded well, with bonuses based on overall enterprise  
6 success.

7 **E. WB Has Acted In Bad Faith to Deprive Village Roadshow of Its Legal**  
8 **and Contractual Rights To Invest in and Co- Own Valuable Derivative**  
9 **Works**

10 20. WB's and WarnerMedia's efforts to promote their interests at the expense  
11 of Village Roadshow are not limited to its attempts to prop up HBO Max. WB has also  
12 been devising various schemes to deprive Village Roadshow of its continuing rights to  
13 co-own and co-invest in the Derivative Works from the films it co-owns. Recently, after  
14 acknowledging—in writing—that its tellingly named upcoming film, *Wonka*, was a  
15 prequel to Village Roadshow's *Charlie and the Chocolate Factory*, WB did an about-  
16 face, claiming the prequel was not a prequel and the original picture, *Charlie and the*  
17 *Chocolate Factory*, was not one in which Village Roadshow had unqualified Derivative  
18 Rights. WB's tortured excuses do not hold up to even the lightest scrutiny.

19 21. More recently, WB made the decision to go forward with a television series  
20 based on *Edge of Tomorrow*, another Village Roadshow film. But it insisted that Village  
21 Roadshow relinquish its co-finance and co-ownership rights voluntarily. When Village  
22 Roadshow refused, WB said the quiet part out loud: it will not allow Village Roadshow  
23 to benefit from any of its Derivative Rights going forward, despite the over \$4.5 billion it  
24 has paid WB to make and distribute 91 films. In other words, if Village Roadshow won't  
25 give up its rights, WB will make sure they are worth nothing.  
26  
27  
28

1 From: Brown, Dave

2 Sent: Monday, November 22, 2021 10:40 AM

3 To: Kevin Berg <[kevin.berg@vreg.com](mailto:kevin.berg@vreg.com)>

4 Cc: Louis Santor <[Louis.Santor@vreg.com](mailto:Louis.Santor@vreg.com)>; Michael Linowes <[michael.linowes@vreg.com](mailto:michael.linowes@vreg.com)>; Glick, Adam  
5 <[Adam.Glick@warnerbros.com](mailto:Adam.Glick@warnerbros.com)>; O'Brien, Diana <[Diana.O'Brien@warnerbros.com](mailto:Diana.O'Brien@warnerbros.com)>

6 Subject: RE: Edge of Tomorrow - Village Roadshow

7 Kevin,

8 Thank you for your email below. In our initial conversation I confirmed that we recognize Village Roadshow's rights but  
9 are unable to proceed on any project with Village Roadshow as a co-financier. However, our desire is to develop this  
10 title (and others) and are hopeful that Village Roadshow is comfortable functioning as "producers" on the project. If VR  
11 is unwilling to make any deal unless co-financing, please advise. If your response to my offer is to tell me that we are not  
12 recognizing Village Roadshow's stature or co-ownership, I can only conclude that you feel the offer is too low. To that I  
13 can only urge you to counter to determine if there's any possible middle ground where we can make a deal.

14 We have been in this situation before with other companies that co-own underlying rights, and our response is  
15 consistent – we invite them to function as an A-level production company. However, that does not necessarily mean  
16 that VR is going to get the best deal of any producer on the show. Particularly since those producers will be on-the-  
17 ground, rendering day-to-day producing services. And some of them have very high stature and quotes. If that is the  
18 final position of Village Roadshow (that no one is to get better), then please let us know. But without a substantive  
19 response, it's very difficult to know what the expectation is.

20 22. WB's admission leaves no doubt that its conduct is simply a thinly-veiled  
21 effort to eliminate Village Roadshow's rights going forward so that it can keep for itself  
22 valuable Derivative Rights to tent pole films and use those films (and future creative  
23 derivative products arising from those films) to steer would-be theatergoers to HBO Max,  
24 thereby gaining billions in enterprise value.

25 23. Starting in 2021, WB began to shut off the flow of information related to at  
26 least 15 development projects in which Village has ownership interests.

27 24. For the one project that WB has conceded co-ownership, *Furiosa*, WB has  
28 demanded that Village commit to a Rights Purchase Agreement years before the picture  
is set to be released, in an attempt by WB to have Village blindly enter into an agreement  
without crucial financial information that WB is either withholding or is unable to  
provide in the film's early stages. This practice is contrary to past conduct and practice  
between the parties and sharply deviates from past good faith custom and practice  
dealings between the parties.

**F. Village Roadshow Seeks An Accounting Of Diverted Revenues From HBO Max Subscriptions, a Declaration of Its Rights, Including Its Rights To Derivative Works, And Injunctive Relief**

25. Village Roadshow does not bring this complaint lightly. It has valued its quarter-century-long relationship with WB and has stood ready and willing to continue that relationship. But, Village Roadshow co-owns those films, and has paid WB and its affiliates over \$4.5 billion to make and distribute those films. Village Roadshow cannot stand by while WB prevents it from receiving the benefit of its bargain and strips Village Roadshow of the valuable intellectual property it owns.

26. Village Roadshow therefore asks the Court for a declaration that WB is in breach of its fiduciary duties to Village Roadshow and owes Village Roadshow an honest accounting of all earnings, *including the enterprise value earned using Village Roadshow's intellectual property to steer subscribers to HBO Max*, and that Village Roadshow is entitled to the Derivative Rights and all other rights it would have received in *The Matrix Resurrections* but for WB's breaches.

27. Village Roadshow also asks the Court for a declaration that WB is in violation of its contractual obligations to allow Village Roadshow to co-invest and co-own the derivative works from the films that Village Roadshow co-owns, and for an injunction against further efforts seeking to deprive Village Roadshow of those rights.

28. Village Roadshow further requests a declaration that in entering into sweetheart deals with their affiliate, HBO Max, that WB and WarnerMedia are in violation of California's Unfair Competition Law Business and Professions Code § 17200.

29. Finally, Village Roadshow asks the Court to demand of WB that it perform its obligations under the parties' agreements, including by consulting with Village Roadshow on marketing and distribution plans, providing prior notice of departures from those plans, and abiding by its obligations to enter contracts that are "consistent with industry standards" and "customary commercial practices in the motion picture industry" and, with affiliates, that are at least equivalent to arm's-length transactions.

**THE PARTIES**

30. Village Roadshow Films (BVI) Limited is a British Virgin Islands corporation with its principal place of business in Los Angeles, California.

31. Village Roadshow Films North America Inc. is a Delaware corporation with its principal place of business in Los Angeles, California.

32. Village Roadshow Pictures North America Inc. is a Delaware corporation with its principal place of business in Los Angeles, California.

33. Village Roadshow Distribution (BVI) Limited is a British Virgin Islands corporation with its principal place of business in Los Angeles, California.

34. Village Roadshow Distribution USA Inc. is a Delaware corporation with its principal place of business in Los Angeles, California.

35. On information and belief, defendant Warner Bros. Entertainment, Inc. is a Delaware corporation with its principal place of business in Burbank, California.

36. On information and belief, defendant Warner Bros. Productions Limited is an English corporation with its principal place of business in Burbank, California.

37. On information and belief, defendant WAV Distribution LLC is a Delaware limited liability company with its principal place of business in Burbank, California.

38. On information and belief, defendant Warner Media, LLC is a Delaware limited liability company with its principal place of business in New York, New York.

39. Does 1 through 20 inclusive are sued herein pursuant to Cal. Civ. Proc. Code § 474.

40. At all times relevant to the facts alleged herein, each of the defendants was the alter ego of the others, acting as a single enterprise, and all are agents of each other.

**JURISDICTION AND VENUE**

41. WB is subject to personal jurisdiction in Los Angeles County because the acts and omissions by WB alleged herein occurred in or caused harm to Village Roadshow in this county. WB is subject to personal jurisdiction in this county given that its principal place of business is in Burbank, California.

42. WarnerMedia is subject to personal jurisdiction in Los Angeles County because the acts and omissions by WarnerMedia alleged herein occurred in or caused harm to Village Roadshow in this county. WarnerMedia is subject to personal jurisdiction in this county also because it does substantial business in Los Angeles County.

43. Venue is proper in Los Angeles County because the events of omissions giving rise to the claims alleged herein occurred in this county, and the harm alleged herein occurred in this county.

44. Although Village Roadshow and WB have an arbitration agreement, it does not apply to this complaint. Instead, the parties' contracts expressly allow Village Roadshow to bring any action for injunctive or non-monetary relief in this Court, as they agreed that the arbitration agreement "***shall not prevent any party from seeking injunctive relief and other forms of non-monetary relief in the state or federal courts located in Los Angeles County, California.***"<sup>5</sup>

45. Before any party is allowed to bring a claim in arbitration, however, the parties were required to participate in good faith efforts to resolve their disputes. Specifically, the parties were required to designate representatives to meet in person to discuss their disputes within 14 days.<sup>6</sup> If they were unable to resolve their disputes, they were required to submit the dispute to the general counsel, chief operating officer, or worldwide president of business affairs for further negotiation.<sup>7</sup> Neither party was allowed to file a demand for arbitration within the 30 days following such submission.

46. On January 6, 2022, Village Roadshow informed WB that it intended to seek a determination of its rights. In an attempt to preempt this authorized declaratory relief action and avoid the public learning of Village Roadshow's contractual rights and derivative rights that WB will be required to honor going forward, WB filed a

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<sup>5</sup> Omnibus Amendment § 5(e)(ii); 2020 MPRPA at § 13.18(b).

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*



1 confidential arbitration demand on at least one of their disputes less than 30 days after the  
2 parties had both submitted the dispute to their respective designees.

### 3 **BACKGROUND**

#### 4 **II. VILLAGE ROADSHOW IS A PILLAR OF THE MOTION PICTURE** 5 **INDUSTRY.**

6 47. Established in 1997, Village Roadshow is one of Hollywood's leading  
7 independent producers and financiers.

8 48. Village Roadshow has produced and financed over 100 films, including  
9 some of the biggest box office successes like *The Matrix* trilogy, the *Ocean's* series,  
10 *Joker*, *Sully*, *Mad Max: Fury Road*, *American Sniper*, and the *Sherlock Holmes* franchise.  
11 For example, *Joker* is the highest-grossing R-rated movie of all time, netting nearly \$1.07  
12 billion in earnings worldwide. And *The Matrix* trilogy, one of the most successful film  
13 trios in history, grossed more than \$1.6 billion in worldwide box office receipts.  
14 Including home entertainment sales, video game revenue, soundtrack album sales, and  
15 merchandising, the *Matrix* franchise raked in more than \$3 billion in revenue. Other box  
16 office hits and award-winning films that Village Roadshow co-owns with WB include  
17 *Miss Congeniality*, *Training Day*, *Mystic River*, *Happy Feet*, *I Am Legend*, *The Great*  
18 *Gatsby*, and *San Andreas*. In total, Village Roadshow's library of films has generated  
19 more than \$19 billion in global box office receipts.

20 49. Village Roadshow has achieved 34 number one U.S. box office openings, a  
21 total that represents nearly a third of Village Roadshow's entire library.

22 50. Village Roadshow's films have not only been a financial success—they have  
23 also been recognized for their artistic value, having received 50 Academy  
24 Award nominations, 19 Academy Awards and six Golden Globe Awards.

25 51. Unlike many other co-financiers in Hollywood, Village Roadshow's relation  
26 with major production studios extends beyond financing. Instead, Village Roadshow is a  
27 co-owner in the intellectual property in the films that it finances and produces.  
28

### III. VILLAGE ROADSHOW HAS A 25 YEAR CONTRACTUAL RELATIONSHIP WITH WB.

#### A. The Parties' Early Co-Ownership Agreements and Omnibus Amendment

52. The relationship between Village Roadshow and WB is governed in part by several related agreements. From 1998 until 2009, Village Roadshow and WB had a series of agreements, titled Qualified Cost Sharing Agreements (“QCSA”), through which they co-developed, co-financed, and co-produced multiple films and acquired foreign rights. In 2009, they entered the first Motion Picture Rights Purchase Agreement (“MPRPA”), amended and restated in 2012 (the “2012 MPRPA”), through which Village Roadshow co-financed and acquired the foreign copyrights to 15 films. In 2014, Village Roadshow and WB entered into another MPRPA, through which Village Roadshow and Warner Bros. shared domestic and foreign copyrights for the first time.

53. The parties amended certain of their agreements in 2017 through the Omnibus Agreement to Co-Ownership Agreements, effective August 29, 2017 (the “2017 Omnibus Amendment”), which altered the balance of rights between Village Roadshow and WB as to three schedules of films: QCSA Pictures, 2012 MPRPA Pictures, and 2014 MPRPA Pictures. Going forward, for most pictures, rather than have Village Roadshow own all foreign rights and WB own all domestic rights, two Village Roadshow entities, Village Roadshow Films (BVI) Limited (VRF) and Village Roadshow Films North America Inc. (VRFNA), would generally each own 25% of the Derivative Rights “throughout the entire universe,” meaning that Village Roadshow would own 50% of the rights, while WB would own the remaining 50%.

54. *Charlie and the Chocolate Factory*, *The Matrix*, *The Matrix Reloaded*, and *The Matrix Revolutions* are QCSA Pictures per Schedule A of the Omnibus Amendment.<sup>8</sup> Accordingly, under Section 1 of the Omnibus Amendment, Village Roadshow and WB each own 50% of the Derivative Rights of those films worldwide.<sup>9</sup> Per Schedule E, for

<sup>8</sup> See Omnibus Amendment at Schedule A.

<sup>9</sup> See *id.* at §1.

1 *Edge of Tomorrow*, a film developed under the 2012 MPRPA, Village Roadshow owns  
 2 33.3% of the copyrights and worldwide Derivative Rights of the film, while WB owns  
 3 the remaining 66.7% of those rights.<sup>10</sup>

4 **B. The Parties' Current Rights and Responsibilities With Respect To**  
 5 **Derivative Works**

6 55. The 2014 MPRPA was amended multiple times and ultimately amended and  
 7 restated on November 10, 2020 (the "2020 MPRPA").

8 56. Under the parties' current agreements, the Derivative Rights to produce  
 9 Derivative Works, defined as "theatrical and television remakes, sequels, prequels, series,  
 10 spin-offs or any other audio-visual works based on any of the Pictures or any of the  
 11 characters therein,"<sup>11</sup> were "reserved jointly" by WB and Village Roadshow or its  
 12 permitted assignees. If a Derivative Work were based on a film "subject to this  
 13 Agreement" that was within WB's existing library (i.e., a "Library Film"), however,  
 14 Village Roadshow's ownership rights would be triggered only if the Derivative Work met  
 15 certain criteria, in which case it would be considered a Qualifying Derivative Work that  
 16 Village Roadshow would co-finance and co-own.<sup>12</sup> The parties in no way intended the  
 17 term "Library Film" to apply to films co-financed prior to the 2014 MPRPA, a fact  
 18 expressly stated in the parties' negotiation correspondence and reflected in the list of  
 19 films developed under the 2014 MPRPA that could potentially fall within the definition  
 20 but that were expressly excluded.

21 **From:** Greg Basser

22 **Sent:** Wednesday, September 10, 2014 2:39 PM

23 **To:** Steve Spira

24 **Cc:** David Sagal; Dave Womack ([dave.womack@warnerbros.com](mailto:dave.womack@warnerbros.com)); Matthew Velkes

25 **Subject:** Warner Village Films

26 Dear Steve

27 As per our discussions yesterday, I wanted to set out where it would appear we are landing

28 <sup>10</sup> See *id.* at Schedule E.

<sup>11</sup> See 2014 MPRPA at 4.

<sup>12</sup> See *id.* at § 6.4(a); 2020 MPRPA at § 6.4(a).

VRPG to have perpetual rights as per current arrangements subject to the following “Library Film” considerations

13

The communication went on to state:

To confirm, these new arrangements would not apply to any of the Warner Village films up to and including at least *EDGE OF TOMORROW*, and possibly, *MAD MAX FURY ROAD*, where the current terms of the Co-Ownership Agreements will continue.

Let’s discuss once you have had a chance to consider further.

Warmest regards

Greg

57. If the Derivative Work were based on a film that was not a Library Film, including any film that had already been developed by the parties under any of their agreements, Village Roadshow automatically had the right to co-own and co-finance.<sup>14</sup>

58. If WB proposed to make a sequel, prequel or otherwise exploit Derivative Rights co-owned by Village Roadshow, it was obligated to serve written notice delineating the project, including the latest draft of the screenplay, the most recent budget net of any anticipated rebates, and the proposed director and principal cast.<sup>15</sup> This requirement applies to all works that Village Roadshow had already co-financed as of the 2017 Omnibus Amendment, including *Charlie and the Chocolate Factory*, the *Matrix* series, and *Edge of Tomorrow*.

59. The notice from WB would constitute an offer to acquire the applicable percentage of domestic and foreign rights and participate in the co-financing and co-ownership of the film. If Village Roadshow accepted the offer and the film were made, the parties were then to execute a Rights Purchase Agreement in the form already agreed upon.<sup>16</sup>

<sup>13</sup> The quote is truncated on the right because of space constraints, but the omitted portion is not relevant to this dispute. For full disclosure, the sentences read, in full: “Changes to apply from future films only – query whether that should be with those films agreed after we decided to move to domestic/foreign (ie from *KNIGHTS* and *TARZAN*) given the others were all greenlit on the basis of foreign only and with the then existing derivative rights arrangements (for discussion) VRPG to have perpetual rights as per current arrangements subject to the following “Library Film” considerations.”

<sup>14</sup> See 2020 MPRPA at § 6.4(a).

<sup>15</sup> See Omnibus Amendment, Attachment 1-1; 2020 MPRPA at § 4(a).

<sup>16</sup> See Omnibus Amendment, Attachment 1-1 at ¶ 4(b)(i)-(ii).

### C. The Distribution Agreements

60. Each film to which Village Roadshow owned rights was also subject to distribution agreements whereby defendants WAV Distribution LLC and Warner Bros. Production Limited (WBPL) would distribute the film domestically and abroad, respectively.<sup>17</sup>

61. The distribution agreements grant WAV and WBPL (the WB affiliates responsible for distributing the films domestically and abroad, respectively) wide discretion in the marketing of a co-financed film; however, each of them “shall at all times comply with its affirmative obligations and negative covenants contained” in the respective ODA Agreements.<sup>18</sup>

62. The operative distribution agreements contain important affirmative obligations on the part of WB. Among those affirmative obligations were that WAV and WBPL were required to distribute each film “substantially in conformity with the Marketing Plan” for such film and that “[s]ubject always to prior consultation with” Village Roadshow, WB “shall use all reasonable efforts consistent with industry standards to distribute each Picture consistent with customary commercial practices in the motion picture industry.”<sup>19</sup>

63. In addition, Village Roadshow waived its right to object to agreements between and among WB affiliates *but only if the economic terms of those agreements (taken as a whole) were not less favorable to WAV or WBPL than comparable arm’s-length agreements with non-affiliates*.<sup>20</sup> In other words, WAV and WBPL could not enter

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<sup>17</sup> For purposes of this dispute, the relevant distribution agreements are the Second Amended and Restated Output Distribution Agreement (“ODA”) (Domestic) (“ODA Domestic”) between Village Roadshow Distribution USA Inc. and WAV Distribution LLC; the Second Amended and Restated Output Distribution Agreement (Foreign) (“ODA Foreign”) between Village Roadshow Distribution (BVI) Limited and WBPL; and the Amended and Restated Consolidated Output Distribution Agreement (Foreign) between Village Roadshow Distribution (BVI) Limited and Warner Bros. Productions Limited, all three dated November 2020 (Consolidated Foreign ODA)—all dated the same day as the 2020 MPRPA.

<sup>18</sup> See ODA Domestic at § 6(e); ODA Foreign at § 6(e).

<sup>19</sup> See *id.*

<sup>20</sup> See ODA Domestic at Ex. A, ¶ 9(d); ODA Foreign at Ex. A, ¶ 9(d).

sweetheart distribution deals with their affiliates but were obligated to obtain at least as beneficial terms as they would from unaffiliated third parties in an arm's-length negotiation.

**D. The Contractual Arbitration Clause and the Carve-out for Injunctive and Other Non-monetary Relief**

64. The parties' agreements referenced herein are "governed by and construed in accordance with the laws of the State of California."<sup>21</sup>

65. Claims or disputes arising from the agreements are to be resolved via arbitration.<sup>22</sup>

66. This complaint is expressly allowed, however, as the parties agreed that the arbitration clause "shall not prevent any party from seeking injunctive relief and other forms of non-monetary relief in the state or federal courts located in Los Angeles County, California."<sup>23</sup>

**IV. WB IS ENGAGING IN A PATTERN OF BEHAVIOR INTENT ON SYSTEMATICALLY DEPRIVING VILLAGE ROADSHOW OF ITS RIGHTS.**

**A. WB Released *The Matrix Resurrections* Simultaneously On Its Sister Company Streaming Platform In A Way That Necessarily Destroyed Its Potential For Financial Success**

67. One of the films that Village Roadshow had the right to co-finance and co-own is *The Matrix Resurrections*, the fourth film in the iconic *Matrix* series. On August 21, 2019, pursuant to the 2017 Omnibus Amendment to Co-Ownership Agreements, Village Roadshow exercised its right to participate in *The Matrix Resurrections*' production.

<sup>21</sup> See, e.g., Omnibus Amendment § 5(e)(i).

<sup>22</sup> See *id.* at § 5(e)(ii).

<sup>23</sup> See *id.*



**B. WB Knowingly Cannibalized The Box Office Sales of *The Matrix Resurrections* By Releasing It on Its Sister Company's HBO Max Streaming Service on The Same Day of Its Theatrical Release**

68. Announced in late 2019, *The Matrix Resurrections* was to be the first *Matrix* film in nearly two decades. With its enormous fan base and A-list talent, *The Matrix Resurrections* quickly became one of the most hyped blockbusters of 2021. Originally scheduled for a theatrical release at the start of the 2021 summer blockbuster season, WB initially postponed the film's release to April 1, 2022, because it knew that the box office would suffer tremendously due to the global Covid-19 pandemic. While the 10-month delay was lengthy, it made sense and other studios were also delaying the release of major films so that they could benefit from the anticipated greater return by moviegoers to theaters post pandemic and thereby improve the film's box office success and profitability.

69. *The Matrix Resurrections*' box office success, particularly its early box office success, was critically important. Since the dawn of the big screen, the financial success of a feature film has been measured by theatrical revenue, with opening weekend box office receipts being a nearly infallible measure of ultimate financial returns as it directly and positively correlated with ancillary revenue streams. Some revenue streams are contractually driven off of box office levels achieved, including international television (the single largest ancillary revenue stream) as well as domestic pay television. For that reason, it has been an industry-wide practice to release films exclusively in theaters for a significant period of time before allowing distribution in other media. It is during this exclusive theatrical window that films typically generate the greatest revenue, thus why box office receipts are a historic measure of a film's success. As one industry analyst explained, "Theatrical exclusivity is important. It mitigates the potential of being cannibalized, not only at home on streaming but also with piracy."<sup>24</sup>

<sup>24</sup> See Joseph Williams, *Billion-dollar movies return, signaling shift in studios' streaming strategy*, S&P Global Market Intelligence (January 20, 2022), <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/billion-dollar-movies-return-signaling-shift-in-studios-stream-strategy-68226552>.

1           70. In what initially seemed to be a move designed to maximize theatrical  
2 revenue, WB announced in October 2020 that it was *advancing* the theatrical release of  
3 *The Matrix Resurrections* by four months, to December 2021, another historically  
4 popular time for the theatrical release of major blockbuster films because of the high  
5 number of holiday moviegoers.

6           71. Two months later, however, WB made a surprise and very different  
7 announcement—without notice, prior consultation (despite being contractually obligated  
8 to do so), or Village Roadshow’s consent—that it planned to distribute each film in its  
9 entire 2021 slate, including *The Matrix Resurrections*, on HBO Max simultaneously with  
10 its theatrical release—a dramatic departure from any past distribution practice by WB or  
11 any other studio. On information and belief, at the time that WB and WarnerMedia  
12 decided to advance the release of *The Matrix Resurrections*, it knew full well that the  
13 movie would be swept into the day-and-date scheme but made the announcements  
14 separately to give the false impression that the decisions were independent of one  
15 another.

16           72. Village Roadshow learned of the studio’s radical shift in its release plan  
17 *from public press breaks*. When Village Roadshow Pictures CEO Bruce Berman raised  
18 the issue with Toby Emmerich, the Chairman of Warner Bros. Pictures, Emmerich  
19 explained that “he wasn’t allowed to tell” Berman about the HBO Max day-and-date  
20 release strategy but that, if he could have, he “would have done things differently.”

21           73. Notably, while WB moved up the release of *The Matrix Resurrections* so  
22 that it would be included in the 2021 slate provided for day and date release on HBO  
23 Max, it *pushed back* the release of *Black Adam* and *The Batman*, two films wholly owned  
24 by WB, into 2022, thus strategically positioning its own, wholly-owned films to be  
25 released in 2022 and avoiding the disastrous effects of the day and date release strategy  
26 for the 2021 films. Given the unproven nature of the day-and-date release strategy, WB  
27 effectively used *The Matrix Resurrections* as a test case while maintaining a tried and  
28 true release strategy for its own wholly-owned films, *Black Adam* and *The Batman*.

74. The decision by WarnerMedia and WB to release films on the same “day and date” in theaters and on its streaming platform had precisely the impact on the financial success of those films that one would expect: it was devastating. For example, WB released *Wonder Woman 1984* simultaneously in theaters and on HBO Max in mid-December 2020. That film, like *The Matrix Resurrections*, was a highly anticipated sequel with an avid fanbase. Despite the near certainty of being a financial success given that its predecessor, *Wonder Woman*, achieved a domestic box office (United States and Canada) of \$469.6 million (in 2021 dollars), *Wonder Woman 1984* grossed only \$49.7 million (in 2021 dollars) in the United States and Canada, making it a financial disaster.

75. The decision to release *The Matrix Resurrections* had the same ruinous impact: it cannibalized the film’s box office receipts. Domestically, *The Matrix Resurrections* earned just \$12 million in its opening weekend and just \$36 million domestically thus far, leaving it substantially in the red.<sup>25</sup> Such paltry revenue stands in stark contrast to the previous three *Matrix* movies, which earned an average of approximately \$88 million in 2021 dollars per film during their domestic openings. Why go to a theater when you can watch a blockbuster film at home on the same day for free?

### C. WB and WarnerMedia Knew That the “Day and Date” Release Strategy Would Lead to Enormous Piracy

76. But the cannibalization of theatrical revenues is not the only downside of “day and date” releases. Another significant downside—well known in the industry—is the ease with which films can be pirated from streaming platforms.<sup>26</sup> According to an August 23, 2021 article, “the worst takeaway from dynamic windows is piracy, plain and

<sup>25</sup> John F. Trent, *After Abysmal Opening Weekend Box Office, The Matrix Resurrections Producer Says No Plans For More Matrix Movies*, Bounding Into Comics, (December 13, 2021), <https://boundingintocomics.com/2021/12/30/after-abysmal-opening-weekend-box-office-the-matrix-resurrections-producer-says-no-plans-for-matrix-movies/> and Box Office Mojo by IMDbPro, *The Matrix Resurrections*, <https://www.boxofficemojo.com/title/tt10838180/>.

<sup>26</sup> See, e.g., Alex Hern, *Streaming was supposed to stop piracy. Now it is easier than ever*, The Guardian (October 2, 2021, 3:00 EDT), <https://www.theguardian.com/film/2021/oct/02/streaming-was-supposed-to-stop-piracy-now-it-is-easier-than-ever>.

simple.”<sup>27</sup> As the CEO of Cinépolis, a Mexican movie theater chain, explained, “Day and date allows pristine copies to be made in all available languages. Pirates are making a lot of money with day-and-date releases.” *Id.* Thus, box office receipts are depressed not only by the simultaneous release on a streaming platform, but also by the increased piracy.<sup>28</sup> For example, whereas *Woman Woman* grossed over \$105 million (in 2021 dollars) during its opening weekend, *Woman Woman 1984* earned less than \$17 million (in 2021 dollars). Similarly, whereas the previous three *Matrix* films earned an average of almost \$88 million (in 2021 dollars) per domestic opening, *The Matrix Resurrections* earned less than \$11 million in its domestic opening.

77. And as WB and WarnerMedia well knew it would, piracy took its toll on *The Matrix Resurrections*. As DEADLINE reported, *The Matrix Resurrections* was the “most pirated feature according to MUSO for the week of Dec. 20-26” due to its

### The Matrix Resurrections has been the most pirated movie in the last week

MRT / DECEMBER 30, 2021 / ENTERTAINMENT, NEWS

The Matrix Resurrections was released in theaters around the world on December 22. And just a week later, an analysis echoed by Comic Book has determined that it has been **the most pirated movie of the last week**. The data is based on the files downloaded via torrent and points to a 32.6 out of the 10 most valued. The James McTeigue-produced film is at the top of the list, followed by Resident Evil: Welcome to Raccoon City (16%) and Spider-Man: No Way Home (12%).

It should be noted that The Matrix Resurrections is included in the HBO MAX catalog in Latin America and the United States. That makes the movie a lot **more likely to be hacked**, since those that are only available in theaters are more than begging when it comes to appearing on the net.

<sup>27</sup> Anthony D’Alessandro, *Piracy is Biggest Problem For Day-And-Date Releases, Say International Film Distrib & Exhib Chiefs - Cinema Con*, DEADLINE, (August 23, 2021, 2:59 PM), <https://deadline.com/2021/08/black-widow-disney-theatrical-day-and-date-piracy-cinemacon-international-box-office-1234820193/>.

<sup>28</sup> See Anthony D’Alessandro, *“Matrix Resurrections’ Ranks Behind ‘Godzilla Vs. Kong’ In Streaming Viewership; Pic Is Most Pirated Of The Week*, DEADLINE, (December 27, 2021 11:31 AM), <https://deadline.com/2021/12/the-matrix-resurrections-box-office-bomb-hbo-max-viewership-piracy-1234902062/amp/>.

availability online.<sup>29</sup> The film represented a staggering 32.6% share of the top ten torrents for that week, statistics that were noted by many news outlets.

See MRT, *The Matrix Resurrections has been the most pirated movie in the last week*, Market Research Telecast, (December 30, 2021), <https://marketresearchtelecast.com/the-matrix-resurrections-has-been-the-most-pirated-movie-in-the-last-week/236615/>.

78. All this has resulted in the lowest five-day opening in the franchise's history—an abysmal \$22.5 million worldwide. *The Matrix*, *The Matrix Reloaded*, and *The Matrix Revolutions* grossed approximately \$50 million, \$139 million, and \$74 million (in 2021 dollars) during their respective opening weekends.<sup>30</sup> The global figures paint an even sharper divergence. Whereas the first three films earned \$835 million, \$1.13 billion, and \$649 million, respectively, in worldwide box office revenue, *The Matrix Resurrections* has earned only \$153 million (all figures in 2021 dollars).

79. WB's and WarnerMedia's actions have devalued not only *The Matrix Resurrections* but will have devaluing effects on Village Roadshow's rights related to sequels and other derivative works of the *Matrix* franchise, in which Village Roadshow also has vested interests. As the producer of *The Matrix Resurrections* stated after the film's abysmal release, "We've got no prequel in mind. We've got no sequel in mind. We've got no further trilogy."<sup>31</sup>

80. At the time that Village Roadshow accepted WB's offer to partner on *The Matrix Resurrections*, WB did not consult with Village Roadshow or give any indication whatsoever of its plan to shift the traditional release pattern for the film dramatically. Nor did WB consult with or obtain Village Roadshow's consent, despite its contractual obligation to do so. Warner Bros. reached acceptable accommodations, without resorting

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<sup>29</sup> *Id.*

<sup>30</sup> Chris Eggertsen, *The Matrix By the Numbers: A Box Office History of The Wachowskis' Game-Changing Techno-Action Franchise*, Boxoffice Pro, (December 22, 2021), <https://www.boxofficepro.com/the-matrix-box-office-history/>.

<sup>31</sup> John F. Trent, *After Abysmal Opening Weekend Box Office, The Matrix Resurrections Producer Says No Plans For More Matrix Movies*, Bounding Into Comics, (December 20, 2021), <https://boundingintocomics.com/2021/12/30/after-abysmal-opening-weekend-box-office-the-matrix-resurrections-producer-says-no-plans-for-matrix-movies/>.



1 to litigation, with talent like Keanu Reeves, Carrie-Anne Moss and Lana Wachowski on  
2 *The Matrix Resurrections*, and with co-finance partners like Legendary on *Dune*, but shut  
3 down negotiations with one of its longest-term relationships. And, on information and  
4 belief, WAV and WBPL did not market or distribute the film according to the Marketing  
5 Plan, as also contractually required. Indeed, when Village Roadshow requested the  
6 Marketing Plan, WAV and WBPL provided nothing. Instead, according to WB, WAV  
7 and WBPL licensed *The Matrix Resurrections* to its affiliate HBO Max to premier on its  
8 streaming service on the same day and date as in theaters in the sweetest of sweetheart  
9 deals: for nothing. Nonetheless, WB continues to expect Village Roadshow to provide it  
10 with substantial payment for its share of production expenses. In light of WB's failure to  
11 meet its contractual obligations, however, and the easily predictable consequences of  
12 WB's day-and-date strategy on the financial success of *The Matrix Resurrections*,  
13 however, Village Roadshow considers WB's in breach, rendering any further  
14 performance by Village Roadshow with respect to *The Matrix Resurrections* excused.

15 **D. WB and WarnerMedia's Day-and-Date Release Strategy Is Designed to**  
16 **Funnel Revenues Away From Profit Participants and Village**  
17 **Roadshow, a Copyright Co-Owner**

18 81. WB's and WarnerMedia's sudden change in distribution strategy was  
19 designed solely to prop up WarnerMedia's HBO Max and thereby generate revenue that  
20 it believed it could shield from those entitled to a share of the films' distribution  
21 proceeds. And WB's parent company made no effort to hide that motivation and intent.  
22 In connection with the announcement of its strategy, Jason Kilar, CEO of WarnerMedia  
23 (ultimate parent of WB, WAV, and WBPL, and the new HBO Max service) stated: "[W]e  
24 believe that what we announced today is going to optimize the economics. And the  
25 reason why is twofold: The revenues that are generated by the box office, of course, *and*  
26 *the other is the value of the consumption on HBO Max from existing subscribers and*  
27 *what we anticipate to be more subscribers coming into HBO Max who choose to do so*  
28



1 *because of the presence of these films.*”<sup>32</sup> And, although films released pursuant to this  
 2 strategy performed abysmally at the box office, WarnerMedia touted the “ratings win” it  
 3 achieved *on HBO Max*.<sup>33</sup>

4 82. Similarly, Warner Bros. Pictures Group’s COO Carolyn Blackwood has  
 5 stated, “The decision was made to apply this strategy to all of the 2021 slate not only  
 6 because we were unable to predict the continued impact of the pandemic, *but also*  
 7 *because of the importance and value in having and marketing a full film slate for HBO*  
 8 *Max*,” which, on information and belief, is owned by WarnerMedia.<sup>34</sup> At the same time,  
 9 other films with high potential box office return for WB like *The Batman* with Robert  
 10 Pattinson, *Black Adam* starring Dwayne Johnson, *The Flash* with Ezra Miller, the  
 11 animated feature *DC Super Pets* and James Wan’s *Aquaman* have been slated for 2022  
 12 exclusive theatrical release.<sup>35</sup>

13 83. But while its executives often referred to the pandemic as at least part of the  
 14 reason for its changed distribution model, WB’s unilateral decision, in violation of  
 15 Village Roadshow’s express contractual rights and in breach of its fiduciary duty to  
 16 Village Roadshow, cannot be justified by pointing to the pandemic. By December 2021,  
 17 theaters were open and moviegoers were going to them. For example, *Spider-Man: No*  
 18 *Way Home*, like *The Matrix Resurrections*, is a sequel to a blockbuster series that had  
 19 originally been slated for release in the summer of 2021 but was delayed for theatrical  
 20 release until December 2021 due to the pandemic. It was released domestically one week  
 21

22 <sup>32</sup> Anthony D’Allessandro, *WarnerMedia CEO Jason Kilar On How Groundbreaking HBO Max*  
 23 *Theatrical Window Strategy Will Optimize Revenues*, DEADLINE (December 3, 2021, 1:12 PM),  
 24 <https://deadline.com/2020/12/hbo-max-warner-bros-movies-deal-jason-kilar-explains-move-1234649871/> (emphasis added).

25 <sup>33</sup> See Joe Flint, *‘Wonder Woman 1984’ Delivers Rating Win for HBO Max*, The Wall Street Journal  
 26 (January 29, 2021 10:53 AM), <https://www.wsj.com/articles/wonder-woman-84-delivers-rating-win-for-hbo-max-11611935261>.

27 <sup>34</sup> Ryan Faughnder, *Wide Shot: Inside Warner Bros.’s risky streaming movie strategy*, Los Angeles  
 28 Times, (June 8, 2021, 6:00 AM), <https://www.latimes.com/entertainment-arts/business/newsletter/2021-06-08/warnerbros-streaming-release-strategy-the-wide-shot>.

<sup>35</sup> See Ryan Faughnder, *Theaters or HBO Max? Warner Bros. movie plans take shape as Discovery merger looms*, Los Angeles Times (June 8, 2021, 5:00 AM),  
<https://www.latimes.com/entertainment-arts/business/story/2021-06-08/can-warner-bros-keep-movie-dreams-alive>.

before *The Matrix Resurrections* in over 4300 theaters, earning \$253 million at theaters in North America during its opening weekend. Within 10 days, it went on to gross \$1.05 billion worldwide. As of January 30, 2022, the film has earned a staggering \$1.74 billion worldwide.<sup>36</sup> Notably, *Spider-Man* was not a day-and-date release. Instead, Sony, and Marvel (Disney) released the film exclusively in theaters, as has been the industry's practice for decades. That film's starkly different financial success speaks volumes about WB's day and date release strategy.<sup>37</sup>

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## Box Office: 'Spider-Man: No Way Home' Soars to Record \$260M U.S. Opening, \$600.8M Globally

The superhero pic scored the No. 2 domestic debut of all time as moviegoing returned to pre-pandemic levels for the first time despite omicron. But not all are celebrating: 'Nightmare Alley' found coal in its Christmas stocking.

BY PAMELA MCCLINTOCK DECEMBER 20, 2021 8:25AM



Sony and Marvel's *Spider-Man: No Way Home* spun a record-breaking web in its box office debut, grossing \$260 million from 4,336 theaters to secure the second-biggest domestic opening of all time at the box office despite growing worries over the COVID-19 omicron variant.

Monday's final number of \$260 million came in ahead of Sunday's estimate of \$253 million to supplant *Avengers: Infinity War* as the No. 2 launch even, not adjusted for inflation.

The New York Times

## 'Spider-Man: No Way Home' Ensnarers Audiences and Refills Studio Coffers

After nearly two years of lackluster box office sales for theatrical releases, Spidey breaks through to do what superheroes are supposed to do.



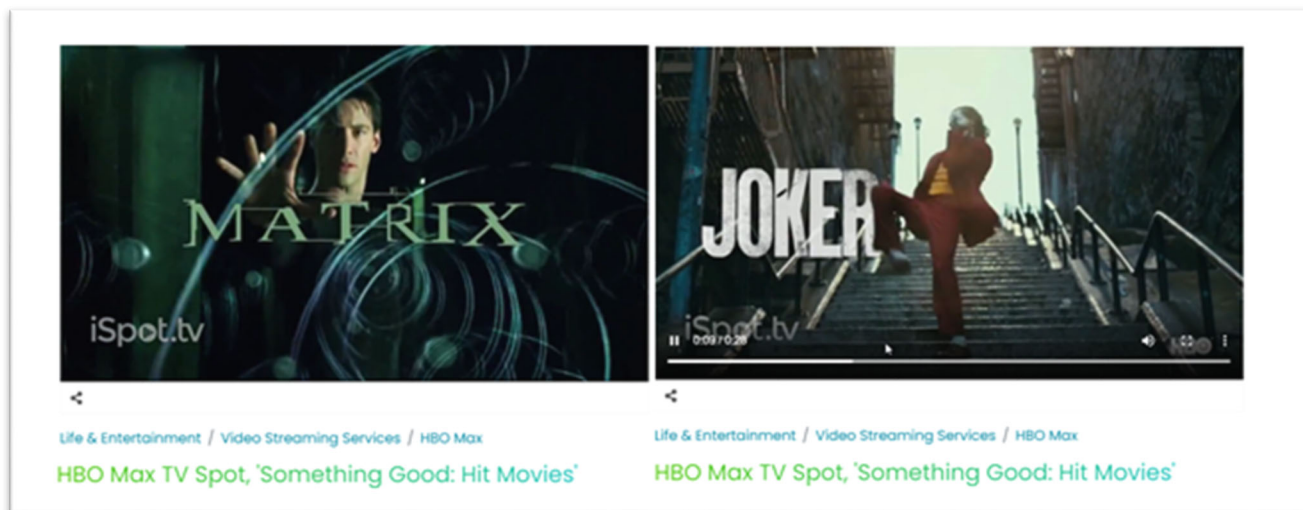
Tom Holland in "Spider-Man: No Way Home," which brought in the third-highest opening weekend box-office receipts in Hollywood history. Matt Kennedy/Sony Pictures

84. WB not only violated its contractual obligations concerning *The Matrix Resurrections* in order to increase the number of subscriptions for HBO Max, WB and

<sup>36</sup> Nancy Tartaglione, 'Spider-Man: No Way Home' Swings Past \$1B Overseas: Global Now \$1.74 B - International Box Office, DEADLINE (January 30, 2022 8:48 AM), <https://deadline.com/2022/01/spider-man-no-way-home-one-billion-overseas-scream-sing-2-belfast-global-international-box-office-1234922668/>.

<sup>37</sup> See Pamela McClintock, Box Office: 'Spider-Man: No Way Home' Soars to Record to Record \$260M U.S. Opening, \$600.8M Globally, The Hollywood Reporter (December 20, 2021, 8:25 AM), <https://www.hollywoodreporter.com/movies/movie-news/spider-man-no-way-home-box-office-opening-1235065128/>.

WarnerMedia engaged in the unfair and unjust business practice of using *other* co-owned Village Roadshow films as advertisements for the streaming service to attract new subscribers in order to increase the enterprise value of WarnerMedia, which they did not intend to (and did not) share with Village Roadshow. For example, both *Joker* and the original *The Matrix* trilogy were prominently displayed in advertisements for HBO Max, both in print and video form.



See HBO Max TV Spot, '*Something Good: Hit Movies*', <https://www.ispot.tv/ad/tLDJ/hbo-max-something-good-hit-movies> (last visited February 4, 2022) (commercial advertisement for HBO Max prominently featuring *The Matrix* and *Joker*). As WarnerMedia and WB intended, the use of Village Roadshow films drove fans to subscribe to HBO Max, thereby increasing the value of WarnerMedia and making it a substantially more formidable player in the streaming space, an increased value not shared with Village Roadshow. As a more significant competitor in the streaming arena, HBO Max will have a greater influence on the compensation that streaming services will have to pay in arms-length transactions for premium content such as tentpole films.

85. The self-dealing strategy of entering into sweetheart deals with affiliates at the significant expense of Village Roadshow has worked. WarnerMedia reported that HBO and HBO Max had 67.5 million customers at the end of the second quarter of 2021,

1 an increase of 12 million subscribers over the past year.<sup>38</sup> And, the forecast for global  
 2 HBO Max subscribers was revised upward to between 70 million and 73 million by the  
 3 end of 2021.<sup>39</sup> In fact, the strategy outperformed even these upwardly revised  
 4 expectations: by January 2022, the HBO Max subscriber base had ballooned to 73.8  
 5 million. As WarnerMedia CEO Jason Kilar explained, 2021 was “the year that HBO  
 6 Max broke through”<sup>40</sup> and that “We’d make the same decision again.”<sup>41</sup>

19 <sup>38</sup> See Todd Spangler, *WarnerMedia CEO Jason Kilar is Disappointed He Will Probably Lose His Job*,  
 Variety (September 28, 2021, 4:29 PM), [https://variety.com/2021/digital/news/warnermedia-ceo-](https://variety.com/2021/digital/news/warnermedia-ceo-jasonkilar-losing-job-discovery-merger-1235076376/)  
 20 [jasonkilar-losing-job-discovery-merger-1235076376/](https://variety.com/2021/digital/news/warnermedia-ceo-jasonkilar-losing-job-discovery-merger-1235076376/).

21 <sup>39</sup> See Shella Dang and Eva Mathews, AT&T raises forecast for revenue, HBO Max as business  
 recovers from pandemic, yahoo!finance (July 22, 2021), [https://finance.yahoo.com/news/t-beats-](https://finance.yahoo.com/news/t-beats-wireless-subscriber-additions-103041148.html)  
 22 [wireless-subscriber-additions-103041148.html](https://finance.yahoo.com/news/t-beats-wireless-subscriber-additions-103041148.html); see also Ryan Faughnder, Wide Shot: Inside Warner  
 Bros.’s risky streaming movie strategy, Los Angeles Times (February 4, 2022, 3:43 PM) (WB’s  
 23 COO stating, “I’m both happy and relieved, because it has ultimately played out almost exactly as  
 we hoped it would . . . our partners at HBO Max are thrilled.”),  
 24 [https://www.latimes.com/entertainment-arts/business/newsletter/2021-06-08/warner-bros-streaming-](https://www.latimes.com/entertainment-arts/business/newsletter/2021-06-08/warner-bros-streaming-release-strategy-the-wide-shot)  
[release-strategy-the-wide-shot](https://www.latimes.com/entertainment-arts/business/newsletter/2021-06-08/warner-bros-streaming-release-strategy-the-wide-shot).

25 <sup>40</sup> Movieguide®Staff, HBO Max’s Day and Date Release Strategy Lands More Subscribers Than  
 Expected, (January 5, 2022, last visited February 4, 2022), [https://www.movieguide.org/news-](https://www.movieguide.org/news-articles/hbo-maxs-day-and-date-release-strategy-lands-more-subscribers-than-expected.html#:~:text=HBO%20Max%E2%80%99s%20Day%20And%20Date%20Release%20Strategy%20Lands,company%20projections%20for%2070%20million%20to%2073%20million)  
 26 [articles/hbo-maxs-day-and-date-release-strategy-lands-more-subscribers-than-](https://www.movieguide.org/news-articles/hbo-maxs-day-and-date-release-strategy-lands-more-subscribers-than-expected.html#:~:text=HBO%20Max%E2%80%99s%20Day%20And%20Date%20Release%20Strategy%20Lands,company%20projections%20for%2070%20million%20to%2073%20million)  
[expected.html#:~:text=HBO%20Max%E2%80%99s%20Day%20And%20Date%20Release%20Stra-](https://www.movieguide.org/news-articles/hbo-maxs-day-and-date-release-strategy-lands-more-subscribers-than-expected.html#:~:text=HBO%20Max%E2%80%99s%20Day%20And%20Date%20Release%20Strategy%20Lands,company%20projections%20for%2070%20million%20to%2073%20million)  
 27 [tegy%20Lands,company%20projections%20for%2070%20million%20to%2073%20million](https://www.movieguide.org/news-articles/hbo-maxs-day-and-date-release-strategy-lands-more-subscribers-than-expected.html#:~:text=HBO%20Max%E2%80%99s%20Day%20And%20Date%20Release%20Strategy%20Lands,company%20projections%20for%2070%20million%20to%2073%20million).

28 <sup>41</sup> See Natalie Jarvey, *Why WarnerMedia CEO and HBO Max head don’t regret angering Hollywood with 2021 movie strategy: ‘We’d make the same decision again’*, Insider (January 19, 2022, 6:30 AM), [https://www.businessinsider.com/warnermedia-movie-strategy-boosted-hbo-max-subscribers-](https://www.businessinsider.com/warnermedia-movie-strategy-boosted-hbo-max-subscribers-retention-project-popcorn-2022-1)  
[retention-project-popcorn-2022-1](https://www.businessinsider.com/warnermedia-movie-strategy-boosted-hbo-max-subscribers-retention-project-popcorn-2022-1).

**Why WarnerMedia CEO and HBO Max head don't regret angering Hollywood with 2021 movie strategy: 'We'd make the same decision again'**

Natalie Jarvey Jan 19, 2022, 6:30 AM



Timothée Chalamet stars in Warner Bros. film "Dune." Courtesy of Warner Bros. Pictures and Legendary Pictures

86. While WarnerMedia and WB have misused tent pole films co-owned by Village Roadshow to garner for themselves a huge payout by driving up subscriptions of HBO Max, WB has shared none of that with Village Roadshow.

87. Despite its obligation to honestly account to Village Roadshow and to share information about the distribution and marketing of its films, WB concealed its intent to use Village Roadshow's films to WB's and WarnerMedia's advantage in a manner that they knew would result in harm to the value of Village Roadshow's films and to Village Roadshow's rights. By withholding critical information about the development and plans for Derivative Works in which Village Roadshow has rights, WB and WarnerMedia continue to conceal their plans to as to which Village Roadshow films they intend to use to their benefit and to Village Roadshow's detriment on a going forward basis.

88. WB has not advised Village Roadshow that it will receive any additional revenue for WarnerMedia's release of its films on HBO Max, or of any commercially reasonable agreement between WB and WarnerMedia to compensate WB for what was certain to be the cannibalization of the box office for these tent pole films.

89. In March 2021, WarnerMedia's CEO noted that "[t]he economics of HBO Max's growth are compelling . . . . To use the U.S. as one example, we currently earn



90% in margin from each retail subscriber that we add.”<sup>42</sup> Such margins are possible only if WB is not requiring its sister company streaming service to pay market value rates for premium content such as *The Matrix Resurrections*. There is no question that if WB were to market *The Matrix Resurrections* to an established, third party streaming service, the property would garner significant, and substantially greater, streaming revenues that WB would be obligated to share. WB’s decision to give its content to its sister entity below market violates express provisions of the Domestic and Foreign Output Distribution Agreements and the fiduciary duties it owes to its copyright co-owner, Village Roadshow.

90. Even more troubling than the obvious below market deal is the fact that WB appears to be providing WarnerMedia’s HBO Max with this valuable content (content owned in part by Village Roadshow) *for free*. Indeed, when asked to explain why there were no additional revenues reported for *Joker*’s run on HBO Max, WB stated that it receives only the generic “pay television” fees, and charges its sister company nothing more for streaming on the new HBO Max streaming service. In other words, WB and WarnerMedia have colluded to allow WarnerMedia to exploit Village Roadshow’s valuable intellectual property to earn premium subscription revenues and build enterprise value that it refuses to share with Village Roadshow.

91. Under the parties’ contracts and under the obligations owed by WB to Village Roadshow as a co-owner of the copyrights to the films WB has allowed to be streamed on HBO Max, WB owes Village Roadshow an accounting of the subscription revenues and other value received.

#### **E. WB Has Refused to Recognize Village Roadshow’s Right to Co-finance *Wonka***

92. In 2021, WB announced production of the film, *Wonka*, starring Academy Award-nominated actor Timothée Chalamet as Willie Wonka.

<sup>42</sup> Dade Hayes, *WarnerMedia Chief Jason Kilar Addresses HBO Max AVOD Plans And Progress So Far: “It’s Working”*, DEADLINE (March 12, 2021, 11:08 AM), <https://deadline.com/2021/03/hbo-max-warnermediastreaming-jason-kilar-1234713108/>.



1           93. As WB itself admitted in correspondence to Village Roadshow, *Wonka* is a  
2 prequel to *Charlie and the Chocolate Factory*, which was developed by the parties  
3 pursuant to one of their QCSAs, not pursuant to an MPRPA. In a letter dated December  
4 17, 2021, WB’s chief counsel, Wayne Smith wrote to Village Roadshow, “As you know,  
5 the previously released motion picture ‘CHARLIE AND THE CHOCOLATE  
6 FACTORY’ is a QCSA Picture and the upcoming motion picture ‘WONKA’ is a ‘Sequel  
7 or Remake Project’ (as defined in Attachment 1) thereto.”

8           94. Pursuant to the Co-Ownership Agreement for *Charlie and the Chocolate*  
9 *Factory*, WB must provide Village Roadshow with a Project Notice, which is to include  
10 the most recent budget and the proposed director and cast, among other things.<sup>43</sup>

11           95. There is no dispute that *Wonka* is a Derivative Work of *Charlie and the*  
12 *Chocolate Factory*, as it falls squarely within the definition of a “theatrical and television  
13 remakes, sequels, prequels, series, spin-offs or any other audio-visual works based on  
14 [*Charlie and the Chocolate Factory*] or any of the characters therein.”<sup>44</sup>

15           96. Despite Village Roadshow’s rights to the Derivative Works of *Charlie and*  
16 *the Chocolate Factory*, however, WB failed to provide Village Roadshow with a Project  
17 Notice for *Wonka*.

18           97. WB argued that *Charlie and the Chocolate Factory* was a Library Film and,  
19 accordingly, Village Roadshow’s rights to co-finance and co-own Derivative Works was  
20 limited to those that fell within the definition of Qualified Derivative Works, which WB  
21 claimed it did not. WB made this argument *despite* the fact that Village Roadshow had  
22 numerous discussions with WB executives about this prequel and was actively involved  
23 during the creative development process, right up to the sudden denial of Village  
24 Roadshow’s rights.

25           98. By its express terms, however, a “Library Film” must be a film that is  
26 *subject to* the 2020 MPRPA.

27  
28 <sup>43</sup> See 2017 Omnibus Agreement at Attachment 1, ¶ 4(a).

<sup>44</sup> 2014 MPRPA at §6.4.

1           99. *Charlie and the Chocolate Factory* was not a film *subject to* the 2020  
2 MPRPA. Indeed, it is not subject to *any* MPRPA. The co-ownership agreement for the  
3 film dates back to 2005, and arises from one of the parties' QCSAs, not a MPRPA.  
4 Accordingly, Village Roadshow is entitled to co-finance and co-own *all* Derivative  
5 Works, not just the subset of Qualifying Derivative Works.

6           100. Moreover, even if Village Roadshow's co-finance and co-ownership rights  
7 were limited to Qualifying Derivative Works (rather than any Derivative Work), *Wonka*  
8 falls within that definition.

9           101. The Parties defined Qualifying Derivative Work broadly, to include any film  
10 that is "a clear continuation of the story of the Prior Production, whether by the title  
11 including a series number . . . or by the content constituting a clear continuation of the  
12 story of the Prior Production, whether as a prequel or a sequel."<sup>45</sup>

13           102. *Wonka* is a "clear continuation" of *Charlie and the Chocolate Factory* as its  
14 content constitutes "a clear continuation of the story of [*Charlie and the Chocolate*  
15 *Factory*] . . . as a prequel."

16           103. The eponymous character of the film was the primary focus of *Charlie and*  
17 *the Chocolate Factory*.

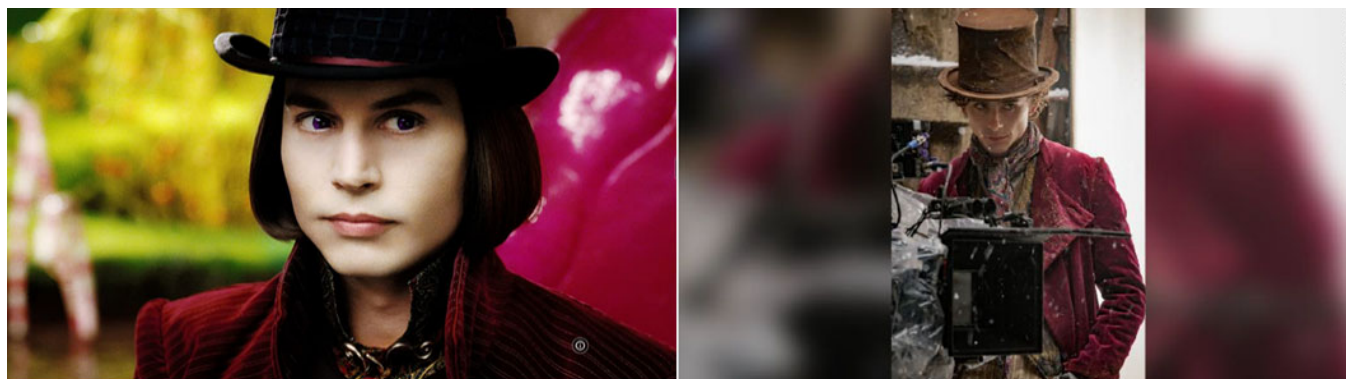
18           104. WB admits that, in *Wonka*, Willie Wonka is a younger version of the Willie  
19 Wonka from *Charlie and the Chocolate Factory*, sharing both name and profession,  
20 which is indeed the foundation of both movies.<sup>46</sup>

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27 <sup>45</sup> See *id.* at Article 1.

28 <sup>46</sup> See Exhibit A (06/14/2021 W. Smith Ltr. to S. Rosenberg) at 2 ("*Wonka* is the story of how young  
Willy Wonka comes to be a successful chocolatier.").

105. Indeed, images of production from late 2021 show Timothée Chalamet sporting the same signature dark-colored top hat and dark purple overcoat as did Johnny Depp in *Charlie and the Chocolate Factory*.



106. WB also admits to Village Roadshow that *Wonka* will feature the iconic Oompa Loompas.<sup>47</sup>

107. Nonetheless, WB attempts to distinguish *Wonka* from *Charlie and the Chocolate Factory* to avoid allowing Village Roadshow to exercise its rights. For example, WB argues that there will be no reference to Willie Wonka's father in *Wonka* and that the Oompa Loompas begin working for Willie Wonka at a different period. *See id.* WB well knows that any prequel, sequel or remake is bound to take certain artistic liberties in editing and revamping the plot. For example, the film *Creed*, a sequel to the *Rocky* film series, centers on a character not even mentioned in the original *Rocky* film.<sup>48</sup> Similarly, in the film *Joker*, the characters of Joker and Batman are revealed to have the same father, Thomas Wayne; a fact that was never mentioned in prior Batman movies or elsewhere in the DC Universe. Indeed, WB's arguments that *Wonka* is not a prequel to *Charlie and the Chocolate Factory* because of the different working lives of the Oompa Loompas and the Willy Wonka character's lack of a father would be funny if the intended consequences of WB's argument were not so outrageous.

<sup>47</sup> See Exhibit A at 3.

<sup>48</sup> See Dan Peeke, *10 Of The Biggest Retcons In Film History*, SCREENRANT (January 6, 2020), <https://screenrant.com/film-movie-retcons-retroactive-continuity-best-biggest/>.

**F. WB Forwent a Spin-Off of *Edge of Tomorrow* When Village Roadshow Asserted Its Rights—and Has Threatened to Refuse to Proceed With Any Project if Village Roadshow Exercises Its Rights**

108. WB’s efforts to deprive Village Roadshow of its co-ownership and co-finance rights are not limited to *Wonka* but extend to *all* Derivative Works for which Village Roadshow has rights. In October 2021, WB contacted Village Roadshow about a television spin-off of the movie *Edge of Tomorrow*.<sup>49</sup>

109. Under the co-ownership agreement for *Edge of Tomorrow*, dated May 23, 2014, and the 2017 Omnibus Amendment, Village Roadshow owns 33.3% of the rights of the work, while WB owns the remaining 66.7%.<sup>50</sup>

110. Village Roadshow also has the right to co-finance any Derivative Work of the film.<sup>51</sup>

111. However, instead of treating Village Roadshow as co-owner of the film and as the long-standing partner it is, WB proposed a financing deal that would have had Village Roadshow forgo its contractual rights and be relegated to a second-class participant.<sup>52</sup>

112. After Village Roadshow advised WB of its rights, WB executive, Dave Brown, responded, “[W]e recognize Village Roadshow’s rights but are unable to proceed on **any project** with Village Roadshow as a co-financier.”<sup>53</sup>

113. Instead, WB proposed that Village Roadshow “function[] as ‘producers’ on the project.”<sup>54</sup>

114. Village Roadshow responded that it was “unwilling to waive its rights to co-finance this proposed *Edge of Tomorrow* series.”<sup>55</sup>

<sup>49</sup> See 10/14/2021 D. Brown Email to M. Linowes attached hereto as Exhibit B.

<sup>50</sup> See Omnibus Amendment at Schedule E.

<sup>51</sup> See Omnibus Amendment, Attachment 1 at ¶ 4(a).

<sup>52</sup> See Exhibit B at 10/19/2021 D. Brown Email to M. Linowes.

<sup>53</sup> See *id.* at B 11/22/2021 D. Brown Email to K. Berg (emphasis added).

<sup>54</sup> *Id.*

<sup>55</sup> See *id.* at 12/13/2021 K. Berg Email to D. Brown.

115. In retaliation, despite having obviously already made the decision to proceed, WB stated that it would now refuse to proceed with the project because Village Roadshow refused to waive its rights. As Brown, on behalf of WB, wrote in a January 10, 2022 email, “Given VR’s unwillingness to waive its rights to co-finance, as discussed in our initial conversation, we will forgo further development of this title.”<sup>56</sup>

116. WB has made clear that its effort to deprive Village Roadshow of its co-ownership and co-finance rights is not limited to *Edge of Tomorrow*. Not only did WB’s Dave Brown expressly say, in an email dated November 22, 2021, that WB would not “proceed on **any project** with Village Roadshow as a co-financier,”<sup>57</sup> Brown made clear to Village Roadshow even earlier, in an October 19, 2021 email, that this would be an ongoing situation: “I know there may be more titles to come where we want to go down this path. So, while this isn’t a template, I’d like to get to a place where we are setting expectations.”<sup>58</sup>

117. Such a course of action allows WB to build billions in enterprise value while depriving Village Roadshow of the long-term, ongoing benefits of co-investing in and co-owning many entertainment properties, including potentially numerous films, television series, and other derivative works, in direct contravention of Village Roadshow’s legal and contractual rights.

**G. WB Unfairly Attempts to Force Village into a Purchase Agreement Without the Benefit of the Information Necessary to Agree to the Deal**

118. WB has conceded co-ownership on one current project, *Furiosa*.

119. However, in a dramatic departure from the past practice, WB has recently demanded that Village commit to a Rights Purchase Agreement years before the picture is set to be released.

<sup>56</sup> See *id.* at 01/10/2022 D. Brown Email to K. Berg

<sup>57</sup> *Id.* at 11/22/2021 D. Brown Email to K. Berg (emphasis added).

<sup>58</sup> See *id.* at 10/19/2021 D. Brown Email to M. Linowes.

120. This demand is clearly a blatant attempt by WB to either (1) have Village blindly enter into an agreement without settled key financial and production information that WB is either withholding or unable to provide in the film's early stages, or (2) to force Village to forego the opportunity to co-finance.

121. This practice is contrary to past conduct and practice between the parties, sharply deviates from past good faith custom and practice dealings between the parties, and is working to frustrate Village's ability to co-finance this film.

## FIRST CAUSE OF ACTION

### DECLARATORY RELIEF

#### (Against All Defendants)

122. Village Roadshow repeats and incorporates the foregoing allegations of this Complaint as if fully set forth herein.

123. A controversy has arisen between Village Roadshow and WB relating to the rights, duties, and obligations of the Parties concerning works that Village Roadshow co-owns and has co-financed, and in which Village Roadshow shares in the Derivative Rights, in that Village Roadshow contends that:

- a. WB is in breach of its affirmative covenants and obligations with respect to *The Matrix Resurrections* in the marketing and distribution of the film, including by entering sweetheart deals with WarnerMedia concerning distribution via HBO Max;
- b. WB must provide a Project Notice to Village Roadshow for the production of a Derivative Work, such as a prequel, sequel, remake, or spinoff in which the Parties co-own the copyright;
- c. WB must always consult with Village Roadshow concerning whether its plan to distribute the films that Village Roadshow co-owns and has co-financed is consistent with industry standards and customary commercial practices in the motion picture industry;
- d. WB's refusal to account to Village Roadshow *at all* for profits derived from the distribution of films, including the value earned to HBO Max through the exploitation of Village Roadshow's intellectual property, violates WB's contractual and fiduciary duties to Village Roadshow;
- e. WB's breaches of its obligations with respect to *The Matrix Resurrections* excuse Village Roadshow's obligations;
- f. Village Roadshow is entitled to the Derivative Rights and all other



rights it would have received in *The Matrix Resurrections* but for WB's breaches;

- g. WB is wrongfully depriving Village Roadshow of its right to co-own and co-finance *Wonka*;
- h. WB's refusal to move forward with a Derivative Work based on the film *Edge of Tomorrow* or any Derivative Work for which Village Roadshow has the right to co-own and co-finance, unless Village Roadshow relinquishes its co-ownership and co-finance rights, wrongly deprives Village Roadshow of those contractual rights and the benefit of the bargain of those contracts;
- i. without the benefit of full financial and creative information; and
- j. In entering into sweetheart deals with their affiliate, HBO Max, that WB and WarnerMedia are in violation of California's Unfair Competition Law Business and Professions Code § 17200.

124. Village Roadshow is informed and believes that WB denies Village Roadshow's contentions.

125. Village Roadshow desires a judicial determination of the Parties' rights, duties, and obligations with respect to the aforementioned issues, as the resolution of such disputes will provide certainty with respect to the parties' ongoing relationship.

## **SECOND CAUSE OF ACTION**

### **Breach of California Unfair Competition Law Business and Professions Code §**

#### **17200 et seq.**

#### **(Against All Defendants)**

126. Village Roadshow repeats and incorporates the foregoing allegations of this Complaint as if fully set forth herein.

127. California Business and Professions Code § 17200 *et seq.* prohibits unfair competition in the form of any unlawful, unfair, or fraudulent business practice.

128. On information and belief, Defendants WB acted at the direction of WarnerMedia in using Village Roadshow co-owned properties solely for their own benefit to further their ambitious plan to develop HBO Max into a streaming site to rival that of streaming giants such as Netflix, Hulu, or Amazon.

129. WB and WarnerMedia have engaged in a clandestine pattern of self-dealing in devising and executing its "day and date" policy to boost its affiliate subscriber base

1 while at the same time hiding the status and plans for films in which Village Roadshow  
 2 has the right to co-invest and has the right to co-own, thus causing Village Roadshow  
 3 substantial injury.

4 130. WB's sudden change in distribution strategy was designed solely to prop up  
 5 HBO Max and thereby generate revenue that WarnerMedia and WB would attempt to  
 6 withhold from those entitled to a share of the films' distribution proceeds.

7 WarnerMedia's motivation and intent is evidenced in numerous public statements.

8 131. The benefits for this substantial injury to Village's interests inure only  
 9 Defendants and their affiliates.

10 132. WB's unilateral decision, in violation of Village Roadshow's express  
 11 contractual rights and in breach of its fiduciary duty to Village Roadshow, cannot be  
 12 justified. Moreover, because Village was not consulted regarding Defendants' decision to  
 13 engage in this self-dealing behavior, it could not have reasonably avoided the substantial  
 14 injury that it has incurred.

### 15 **PRAYER FOR RELIEF**

16 WHEREFORE, Village Roadshow prays for judgment as follows:

17 1. That the Court issue a declaration as follows:

- 18 a. WB is in breach of its affirmative covenants and obligations with  
 19 respect to *The Matrix Resurrections* in the marketing and distribution  
 20 of the film, including by entering sweetheart deals with WarnerMedia  
 21 concerning distribution via HBO Max;
- 22 b. WB must provide a Project Notice to Village Roadshow for the  
 23 production of a Derivative Work, such as a prequel, sequel, remake,  
 24 or spinoff in which the Parties co-own the copyright;
- 25 c. WB must always consult with Village Roadshow concerning whether  
 26 its plan to distribute the films that Village Roadshow co-owns and has  
 27 co-financed is consistent with industry standards and customary  
 28 commercial practices in the motion picture industry;
- d. WB's refusal to account to Village Roadshow at all for profits derived  
 from the distribution of films, including the enterprise value earned by  
 driving subscribers to HBO Max through the exploitation of Village  
 Roadshow's intellectual property, violates WB's contractual and

fiduciary duties to Village Roadshow;

- e. WB's breaches of its obligations with respect to The Matrix Resurrections excuse Village Roadshow's obligations;
- f. Village Roadshow is entitled to the Derivative Rights and all other rights it would have received in The Matrix Resurrections but for WB's breaches;
- g. WB is wrongfully depriving Village Roadshow of its right to co-own and co-finance Wonka; and
- h. WB's refusal to move forward with a Derivative Work based on the film Edge of Tomorrow or any Derivative Work for which Village Roadshow has the right to co-own and co-finance, unless Village Roadshow relinquishes its co-ownership and co-finance rights, wrongfully deprives Village Roadshow of those contractual rights and the benefit of the bargain of those contracts.

2. That the Court grant preliminary and permanent injunctive relief:

- a. Enjoining WB from conditioning the development of Derivative Works on Village Roadshow's relinquishment of its rights and otherwise interfering with Village Roadshow's right to co-finance and co-own films pursuant to the parties' agreements;
- b. Requiring WB to provide Village Roadshow with a Project Notice for all films in which the Parties share the copyright;
- c. Requiring WB to consult with and provide Village Roadshow with Marketing Plans as required by the parties' agreements and to confirm that its marketing and distribution plans would adhere to industry standards of an exclusive theatrical release;
- d. Requiring WB to include in its accounting to Village Roadshow all value earned by exploiting Village Roadshow's intellectual property; and

3. That the Court order specific performance of WB's contractual and fiduciary obligations to Village Roadshow.

4. That the Court grant any other equitable remedies afforded by the unfair competition law.

1 DATED: March 25, 2022

KIRKLAND & ELLIS LLP

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4 Mark Holscher (SBN 139582)

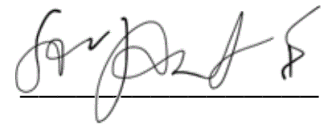
5 *Attorneys for Plaintiff,*

6 *VILLAGE ROADSHOW FILMS (BVI)*  
7 *LIMITED; VILLAGE ROADSHOW*  
8 *FILMS NORTH AMERICA INC.;*  
9 *VILLAGE ROADSHOW PICTURES*  
10 *NORTH AMERICA INC.; VILLAGE*  
11 *ROADSHOW DISTRIBUTION (BVI)*  
12 *LIMITED; and VILLAGE*  
13 *ROADSHOW DISTRIBUTION USA*  
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**VERIFICATION**

I, Louis Santor, Chief Operating Officer of Village Roadshow, a party to this action, am authorized to make this verification on its behalf. I have read the foregoing first amended complaint and know its contents. I am informed and believe and on that ground allege that the matters stated in the complaint are true. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed in Los Angeles, California on the 25th day of March, 2022.

A handwritten signature in black ink, appearing to read "Louis Santor", is written over a horizontal line.

Louis Santor

# EXHIBIT A





Wayne M. Smith  
Head of Legal Affairs

WARNER BROS.  
PICTURES

June 14, 2021

VIA EMAIL: [srosenberg@shappardmullin.com](mailto:srosenberg@shappardmullin.com)

Stacey L. Rosenberg  
Sheppard Mullin Richter & Hampton LLP  
333 South Hope Street, 43rd Floor  
Los Angeles, CA 90071

**Re: WONKA**

Dear Ms. Rosenberg:

This responds to your letter of June 8, 2021. As detailed below, we disagree with your contention that *Wonka* is a “Qualifying Derivative Work.”

As you note in your letter, per the MPRPA, “Qualifying Derivative Work” is defined as follows:

**“Qualifying Derivative Work”** means a Derivative Work based on a Prior Production that (a) commenced development not more than two years after the initial theatrical release of the Prior Production, (b) has the same director as any Prior Production, (c) has a lead actor who appeared as a lead actor in any Prior Production and/or (d) is a clear continuation of a Prior Production, whether by the title including a series number (e.g., *I Am Legend 2*) or by the content constituting a clear continuation of the story of the Prior Production, whether as a prequel or a sequel (e.g., *Cats & Dogs: The Revenge of Kitty Galore*).

As the above definition indicates, as a threshold matter a “Qualifying Derivative Work” must be a “Derivative Work.” That term is defined in the MPRPA as follows:

**“Derivative Work”** means “theatrical and television remakes, sequels, prequels, series, spin-offs or any other audio-visual works based on any of the Pictures or any of the characters therein.”

A WARNERMEDIA Company

Stacey L. Rosenberg, Esq.

June 14, 2021

Page 2

Thus, while you assert that “*Wonka* is clearly a prequel to *Charlie and the Chocolate Factory*, featuring the lead character, Willy Wonka,” even assuming this is the case, the fact that the movie must be a prequel, sequel or remake it is implicit in the inquiry and thus begs the question as to whether *Wonka* constitutes a “Qualifying Derivative Work” by satisfying, as it must, one or more of the sub-criteria in the definition.

With regard to those sub-criteria, it is clear that (a) through (c) are not met. *Wonka* did not commence development within two years after the release of *Charlie*, it does not have the same director as *Charlie*, and it does not have any lead actor who appeared in *Charlie*. Thus, *Wonka* (because it is not titled as a sequel to *Charlie*) can only can be a “Qualifying Derivative Work” if it “is a clear continuation of a Prior Production . . . by the content constituting a clear continuation of the story of the Prior Production, whether as a prequel or a sequel (e.g., *Cats & Does: The Revenge of Kitty Galore*).”

The reference to *Cats & Dogs: The Revenge of Kitty Galore* is instructive. As many contemporary news stories noted, the movie “continues the story of the battle between cats and dogs for control of Earth.”<sup>1</sup> Significantly, there are no inconsistencies between the story and narrative of the two films; and they both inhabit the same world. In addition, *Kitty Galore* features a number of supporting characters from *Cats & Dogs* (e.g., Lou, Mr. Tinkles, Calico, Butch, Peek, Sam), who are depicted in the same way, and in several instances voiced by the same actor as the earlier film (e.g., Sean Hayes, Joe Pantoliano, Michael Clarke Duncan). These characters and their consistent depiction help to create clear linkage and narrative coherence between the two films.

In contrast, *Wonka* is an entirely new take based on Roald Dahl’s seminal work and, as your client is aware, is being developed, produced and positioned as a reboot with no connection whatsoever to *Charlie*. There will be no lead acting or directing talent involved from the prior film. Moreover, and perhaps most significantly, the stories and narratives of the two films are entirely and demonstrably inconsistent.

*Wonka* is the story of how young Willy Wonka comes to be a successful chocolatier. In the story of the film, Willy grows up in a gypsy caravan. His mother makes chocolate for his birthday and tells Willy that the world’s best chocolate is sold at the shops in the Palais Gourmet. It becomes Willy’s dream to sell chocolates made from

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<sup>1</sup> <https://www.traileraddict.com/cats-dogs-the-revenge-of-kitty-galore/trailer>; see also <https://www.comingsoon.net/movies/news/49260-odonnell-mcbrayer-in-cats-dogs-sequel> (same); <https://www.filmjabber.com/movie-synopsis/cats-dogs-the-revenge-of-kitty-galore.html> (same); <https://childrenandmedia.org.au/movie-reviews/movies/cats-and-dogs-2-the-revenge-of-kitty-galore> (“The second film in the Cats and Dogs series continues the story of several canine and feline secret agents.”).

Stacey L. Rosenberg, Esq.

June 14, 2021

Page 3

his mother's recipe in a shop there, and to share them with the world. However, one day he comes home to find his mother and other family members gone, and soldiers torching the caravan. He flees, and survives the war hidden under a magician's shop. Willy's dream to share his mother's recipe for chocolates with the world is his primary goal in *Wonka* and propels the narrative. Notably, Willy's father is neither seen nor referenced anywhere in the film.

Willy's backstory as laid out in *Charlie* is entirely different and inconsistent with the narrative of *Wonka*. In the story of that film, he is the son of Wilbur Wonka, a dentist and very strict father who despises sweets. Wilbur refuses to let Willy eat any candy, even on Halloween, and throws the candy into the fire. When Willy declares his ambition to travel, sample the world's best chocolate, and become a chocolatier, his father disowns him. When Willy returns home from a trip to a museum to begin his research, his house has vanished. These childhood traumas have shaped Willy, who as a result cannot even say the word "parents."

These are not the only significant differences. Oompa Loompas appear in the stories of both films, but again their stories (and timelines) are entirely different. In *Wonka*, and obviously before Willy has established a chocolate factory, Willy picks cocoa beans owned by the Oompa Loompa tribe without knowing of the Oompa Loompas' existence, believing the beans are free for the picking. A particular Oompa Loompa whose job is to guard the beans is asleep on the job. He is subsequently compelled by his tribe to stalk Willy and steal back enough chocolate such that the theft is compensated a thousand-fold. In contrast, in *Charlie*, Willy does not meet the Oompa Loompas until *after* his factory is already established. Willy is traveling the world in search of exotic flavors/ingredients when he happens upon the Oompa Loompas. The Oompa Loompas crave cocoa beans to make their slimy green food taste better. Willy strikes a deal with the Oompa Loompa Chief to employ them in his factory in exchange for payment in beans. In addition to these narrative differences, in *Wonka* the Oompa Loompas will also be depicted very differently than they were in *Charlie*.

The foregoing is not intended as an exhaustive description of all of the major differences in narrative, backstory and depiction between the two films, but suffices to illustrate that *Wonka* is in no way a "clear continuation of the story" of *Charlie*. Indeed, the intent behind *Wonka*, as evidenced by the script that was provided to your client, is to present an entirely new story of how Willy Wonka becomes a chocolatier, which happens to be one that is wholly inconsistent with the backstory of Willy presented in *Charlie*.

Stacey L. Rosenberg, Esq.  
June 14, 2021  
Page 4

Because, as demonstrated above, *Wonka* is not a Qualifying Derivative Work under the MPRPA, Warner is not required to submit the project to Village.

Very truly yours,



Wayne M. Smith

cc: Jodi Levinson

# EXHIBIT B

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**Subject:** Edge of Tomorrow - Village Roadshow

**From:** Brown, Dave <[Dave.Brown@warnerbros.com](mailto:Dave.Brown@warnerbros.com)>

**Sent:** Monday, January 10, 2022 9:59 AM

**To:** Kevin Berg <[kevin.berg@vreg.com](mailto:kevin.berg@vreg.com)>

**Cc:** Louis Santor <[Louis.Santor@vreg.com](mailto:Louis.Santor@vreg.com)>; Michael Linowes <[michael.linowes@vreg.com](mailto:michael.linowes@vreg.com)>; Glick, Adam <[Adam.Glick@warnerbros.com](mailto:Adam.Glick@warnerbros.com)>; O'Brien, Diana <[Diana.O'Brien@warnerbros.com](mailto:Diana.O'Brien@warnerbros.com)>

**Subject:** RE: Edge of Tomorrow - Village Roadshow

Kevin,

Thanks for your response. Given VR's unwillingness to waive its right to co-finance, as discussed in our initial conversation, we will forgo further development on this title.

Best,

Dave Brown

---

**From:** Kevin Berg <[kevin.berg@vreg.com](mailto:kevin.berg@vreg.com)>

**Sent:** Monday, December 13, 2021 5:44 PM

**To:** Brown, Dave <[Dave.Brown@warnerbros.com](mailto:Dave.Brown@warnerbros.com)>

**Cc:** Louis Santor <[Louis.Santor@vreg.com](mailto:Louis.Santor@vreg.com)>; Michael Linowes <[michael.linowes@vreg.com](mailto:michael.linowes@vreg.com)>; Glick, Adam <[Adam.Glick@warnerbros.com](mailto:Adam.Glick@warnerbros.com)>; O'Brien, Diana <[Diana.O'Brien@warnerbros.com](mailto:Diana.O'Brien@warnerbros.com)>

**Subject:** RE: Edge of Tomorrow - Village Roadshow

David,

Village Roadshow is unwilling to waive its right to co-finance this proposed *Edge of Tomorrow* series (the "Series"). Warner Bros.' situation with other companies who co-own underlying properties is irrelevant, particularly, if those other companies do not possess a contractual right to co-finance derivative works, which Village Roadshow has, along with a shared ownership in derivative rights in the underlying properties, which Village Roadshow also has. Further, Village Roadshow would be involved as a fully active co-producer in the development and production of the Series.

Village Roadshow expects that Warner Bros. will offer Village Roadshow the right to co-finance and acquire 50% of the Series on the basis that Village Roadshow bears its 50% portion of the cost of such Series. Village Roadshow will need Warner Bros. to provide with a Project Television Notice and, among other things, (i) the most recent drafts of written material on which the Series will be based, such as teleplays, outlines and look-books, (other than written material for the original film); (ii) the budget of the Series (on an overall and per episode basis); (iii) list of proposed cast, showrunners, director and producers; (iv) schedule of third-party participations; (v) anticipated number of episodes per order from HBO Max; and (vi) any distribution plans with HBO Max and any other anticipated distributor, if any.

Without the benefit of the above-referenced information, Village Roadshow cannot make an appropriately-informed decision regarding its co-financing position with respect to the Series, therefore, Village Roadshow requests that Warner Bros. provide a complete set of the above-referenced information as soon as possible. If such information is not complete and/or not readily available, Village Roadshow will make a decision on its participation, including co-financing, in the Series when such information is available and received in full by Village Roadshow



All rights and remedies are hereby reserved.

Kind regards,  
Kevin



**VILLAGE ROADSHOW ENTERTAINMENT GROUP**

**KEVIN P. BERG** (*he/him/his*)

General Counsel  
Director, Creative Diversity and Inclusion  
**Village Roadshow Entertainment Group USA Inc.**

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**From:** Brown, Dave <[Dave.Brown@warnerbros.com](mailto:Dave.Brown@warnerbros.com)>

**Sent:** Monday, December 6, 2021 12:27 PM

**To:** Kevin Berg <[kevin.berg@vreg.com](mailto:kevin.berg@vreg.com)>

**Cc:** Louis Santor <[Louis.Santor@vreg.com](mailto:Louis.Santor@vreg.com)>; Michael Linowes <[michael.linowes@vreg.com](mailto:michael.linowes@vreg.com)>; Glick, Adam <[Adam.Glick@warnerbros.com](mailto:Adam.Glick@warnerbros.com)>; O'Brien, Diana <[Diana.OBrien@warnerbros.com](mailto:Diana.OBrien@warnerbros.com)>

**Subject:** RE: Edge of Tomorrow - Village Roadshow

Hi Kevin,

I just wanted to follow up to see if we would be receiving a counter.

I'm available to discuss on the phone if you like.

Thanks,

Dave

---

**From:** Brown, Dave

**Sent:** Monday, November 22, 2021 10:40 AM

**To:** Kevin Berg <[kevin.berg@vreg.com](mailto:kevin.berg@vreg.com)>

**Cc:** Louis Santor <[Louis.Santor@vreg.com](mailto:Louis.Santor@vreg.com)>; Michael Linowes <[michael.linowes@vreg.com](mailto:michael.linowes@vreg.com)>; Glick, Adam <[Adam.Glick@warnerbros.com](mailto:Adam.Glick@warnerbros.com)>; O'Brien, Diana <[Diana.OBrien@warnerbros.com](mailto:Diana.OBrien@warnerbros.com)>

**Subject:** RE: Edge of Tomorrow - Village Roadshow

Kevin,

Thank you for your email below. In our initial conversation I confirmed that we recognize Village Roadshow's rights but are unable to proceed on any project with Village Roadshow as a co-financier. However, our desire is to develop this title (and others) and are hopeful that Village Roadshow is comfortable functioning as "producers" on the project. If VR is unwilling to make any deal unless co-financing, please advise. If your response to my offer is to tell me that we are not recognizing Village Roadshow's stature or co-ownership, I can only conclude that you feel the offer is too low. To that I can only urge you to counter to determine if there's any possible middle ground where we can make a deal.

We have been in this situation before with other companies that co-own underlying rights, and our response is consistent – we invite them to function as an A-level production company. However, that does not necessarily mean that VR is going to get the best deal of any producer on the show. Particularly since those producers will be on-the-ground, rendering day-to-day producing services. And some of them have very high stature and quotes. If that is the final position of Village Roadshow (that no one is to get better), then please let us know. But without a substantive response, it's very difficult to know what the expectation is.

As to the other points below, WB Features gets a purchase price and a rights royalty. What I have offered VR far exceeds what WB Features receives.

To address your point about HBO Max, there was an arms-length negotiation that established the license fee that HBO Max pays to WBTV for the shows it licenses from us. I'm happy to explain what that template looks like and how it compares to our other streaming deals that we do with practically every outlet in town. I can say in no uncertain terms, it is not a free license nor do we believe that it is under market value.

So, for us the path here is clear. We have made a good faith offer based on all of the information you have provided. Please counter with what you think the deal should be with all things considered. We will evaluate and attempt to find a path to making a deal which can potentially serve as a guide for future deals. But absent counter, respectfully there really isn't anything for us to respond to or rethink.

Best,  
Dave Brown

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**From:** Kevin Berg <[kevin.berg@vreg.com](mailto:kevin.berg@vreg.com)>  
**Sent:** Friday, November 19, 2021 2:25 PM  
**To:** Brown, Dave <[Dave.Brown@warnerbros.com](mailto:Dave.Brown@warnerbros.com)>  
**Cc:** Louis Santor <[Louis.Santor@vreg.com](mailto:Louis.Santor@vreg.com)>; Michael Linowes <[michael.linowes@vreg.com](mailto:michael.linowes@vreg.com)>  
**Subject:** RE: Edge of Tomorrow - Village Roadshow

Dear David:

While appreciate the offer made, this offer fails to take into account that Village Roadshow has a right to co-finance this work as a principal co-owner of the derivative rights of *Edge of Tomorrow* under the terms the Co-Ownership Agreement dated as of May 23, 2014, as amended, restated or otherwise modified, including, as further amended by the Omnibus Amendment and exhibits and attachments attached thereto dated as of August 29, 2017 (the "Agreement").

Clearly, any deals offered to third-party individual producers (like Doug Liman and Tom Cruise), the showrunner or any other work-for-hire talent should not be equated to any offer made to Village Roadshow as a rightsholder and a long-standing partner of Warner Bros. Also, any offer to WB Features is irrelevant as such a transaction is an interested party transaction with an affiliated entity or division, of WB Features, here WBTV. And, while WB Features may be comfortable not taking a license fee for its share of the derivative rights and a non-writing executive producer fee on par with talent deals, that is not a market-rate, arms-length deal which Village Roadshow has to accept.

And, just as disconcerting is the fact that we believe that this *Edge of Tomorrow* television series, which is highly valuable content, will be distributed on the HBO Max platform for either no fee or at a significantly less than market value fee, which further de-values Village Roadshow's interest in this property.

While WBTV has previously expressed the desire to not have any co-financing partners, WBTV cannot ignore Village Roadshow's standing as a co-owner of rights in this title with a legal right to co-finance this derivative work.

Village Roadshow expects that WBTV will re-think its approach, honor the rights of Village Roadshow under the Agreement, and address the economic disadvantages faced by Village Roadshow due to the interested, non-market transactions inherent in this project.

All rights and remedies are hereby reserved.

Kevin



**VILLAGE ROADSHOW ENTERTAINMENT GROUP**

**KEVIN P. BERG** (*he/him/his*)

General Counsel

Director, Creative Diversity and Inclusion

**Village Roadshow Entertainment Group USA Inc.**

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**From:** Brown, Dave <[Dave.Brown@warnerbros.com](mailto:Dave.Brown@warnerbros.com)>

**Sent:** Tuesday, October 19, 2021 10:31 AM

**To:** Michael Linowes <[michael.linowes@vreg.com](mailto:michael.linowes@vreg.com)>

**Cc:** Louis Santor <[Louis.Santor@vreg.com](mailto:Louis.Santor@vreg.com)>; Kevin Berg <[kevin.berg@vreg.com](mailto:kevin.berg@vreg.com)>

**Subject:** RE: Edge of Tomorrow - Village Roadshow

Given the amount of A+ level producers involved, we were thinking of:

\$65K/ep reducible to \$50K/ep to the extent over \$150K/ep in the EP category.

Life lock with 5% bumps

On backend, again because of the parties involved (Liman, Cruise, Stoff, rights/Masi Oka, WB Features, showrunner), I think we will only be able to put 5% on the table. And while we don't make MFN deals, this is the same I'm planning to offer to Liman, Cruise, Stoff and features.

10/10 definition

I know there may be more titles to come where we want to go down this path. So while this isn't a template, I'd like to get to a place where we are setting expectations. Without so many people involved, the backend can be more.

But hopefully this gets our discussion going.

Best,

Dave

---

**From:** Michael Linowes <[michael.linowes@vreg.com](mailto:michael.linowes@vreg.com)>

**Sent:** Saturday, October 16, 2021 6:06 AM

**To:** Brown, Dave <[Dave.Brown@warnerbros.com](mailto:Dave.Brown@warnerbros.com)>  
**Cc:** Louis Santor <[Louis.Santor@vreg.com](mailto:Louis.Santor@vreg.com)>; Kevin Berg <[kevin.berg@vreg.com](mailto:kevin.berg@vreg.com)>  
**Subject:** RE: Edge of Tomorrow - Village Roadshow

**[CAUTION]**

**This email originated outside Warner Bros.**

Hi Dave:

Sorry about the delay in responding. Nice to e-meet you.

Why don't you send over a proposal first so we can get a sense of what you're thinking and then we can follow up from there.

Thanks.

Mike



**VILLAGE ROADSHOW ENTERTAINMENT GROUP**

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**From:** Brown, Dave <[Dave.Brown@warnerbros.com](mailto:Dave.Brown@warnerbros.com)>  
**Sent:** Thursday, October 14, 2021 11:13 AM  
**To:** Michael Linowes <[michael.linowes@vreg.com](mailto:michael.linowes@vreg.com)>  
**Subject:** Edge of Tomorrow - Village Roadshow

Hi Mike,

I wanted to find out if you wanted to have a conversation about the VR deal on this project or if you just want me to send you a proposal to get things started.

Also, please let me know the best number to reach you. My home office is [REDACTED] and my cell is [REDACTED].

Thanks,

Dave

**PROOF OF SERVICE**

I, Grace Goldsborough, am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 555 South Flower Street, Los Angeles, California 90071.

On March 25, 2022 I served a copy of the foregoing document on the interested parties as follows:



**By Electronic Mail -- CCP § 1010.6(a)(4)(A)**

The parties have agreed to accept service by e-mail or electronic transmission. I caused the foregoing document to be served to the persons at the e-mail addresses listed below. The electronic message was transmitted without error.

Daniel M. Petrocelli  
Matt Kline  
Leah Godesky  
Timothy B. Heafner  
O'Melveny & Myers LLP  
1999 Avenue of the Stars, 8th Floor  
Los Angeles, CA 90067  
Telephone: (310) 553-6700  
Emails: dpetrocelli@omm.com, mkline@omm.com,  
lgodesky@omm.com, theafner@omm.com

*Attorneys for Defendants*



**[STATE]** I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on March 25, 2022, in Los Angeles, California.

  
Grace Goldsborough